



STATE OF INDIANA
OFFICE OF THE GOVERNOR
State House, Second Floor
Indianapolis, Indiana 46204

Eric J. Holcomb
Governor

August 2, 2019

VIA ELECTRONIC MAIL ONLY

Email: 74972-96860228@requests.muckrock.com

Taylor Scott Amarel
MuckRock News

Re: Public Records Request

Dear Taylor:

The Office of Governor Eric J. Holcomb (Governor's Office) has received your request for the following:

- *All emails sent to, from, or copied to Eric Holcomb from January 1, 2015 to Present day, containing any of the following non-case-sensitive key-strings: 'Whistleblower.'*

Upon request for more reasonable particularity, you narrowed the time frame of your records request to include the six months prior to June 6, 2019. Enclosed are the records responsive to your request.

In light of the above, we have completed our response to your public records request and are closing our file as to that request at this time.

Sincerely,

Cynthia Carrasco, Deputy General Counsel
Office of Governor Eric J. Holcomb

From: [Warman, Tyler](#)
To: [#All Governor's Office](#)
Subject: News Clips 3/5
Date: Tuesday, March 5, 2019 11:30:24 AM
Attachments: [Howey 3-5-19.pdf](#)

Pillar 1- Diversify our economy

Inside IN Business- [B-Start to Host Annual 'Demo Day'](#)

Inside IN Business- [Elkhart County to Open New Visitor Center](#)

Kokomo Perspective- [FCA's \\$4.5 billion investment could spell good news for Kokomo](#)

Chicago Business- [Wooing Illinois to Indiana? It's not just businesses doing it](#)

Pillar 3- Strengthen our workforce

NAVSEA- [NSWC Crane recognized across Indiana for enhancing workplace safety and health](#)

2019 Legislative Session

Kokomo Perspective- [23 corporate leaders seek return of specific protections to hate crimes bill](#)

WIBC- [Indiana Doesn't Deal With Hate Crimes Well, Say Muslim Advocates](#)

Indy Politics- [Teacher Pay and Tax Incentives](#)

WANE- [Critics say Indiana redistricting bill doesn't do enough](#)

WBOI- [Lawmakers Work To Expand Payday Lending Options Some Say Are Predatory](#)

Hoosier Ag Today- [Farm Bureau Following Rural Bills Moving Through Indiana General Assembly](#)

WIBC- ["No Doubt" Legislators Will Raise Cigarette Tax -- but Probably Not This Year](#)

WBIW- [Indiana Lawmakers Have 400 Bills At Session's Halfway Mark](#)

Greenfield Reporter- [Bill offers boost to struggling Indiana families](#)

Journal Gazette- [The cost of justice](#)

Misc.

Herald Tribune- [Working to reduce infant mortality rate](#)

WANE- [One year later, Sunday alcohol sales become part of routine](#)

WTHR- [Students demand action from lawmakers to end youth gun violence, school shootings](#)

Sincerely,

Tyler Warman

Staff Assistant

Office of Governor Eric Holcomb, State of Indiana

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March 5, 2019 HPI Daily Wire sponsored by Indiana Motor Truck Assn.

Tuesday, March 5, 2019 7:08 AM

400 BILLS STILL ALIVE IN GENERAL ASSEMBLY: Indiana lawmakers are entering the second half of the legislative session with more than 400 bills still alive, including legislation on teacher pay, gambling and hate crimes ([AP](#)). Lawmakers are set to begin considering legislation Monday, including a bill that would provide \$611 million for education and legislation that would legalize sports wagering. Another key proposal set for review is a hate crimes law. Gov. Eric Holcomb made a public appeal regarding the bill after the state Senate removed a list of specific protected traits. Bills that didn't clear either chamber could still be amended into surviving legislation. There are two months remaining in the budget-writing session. The Republican-dominated Legislature must draft a new two-year budget to fund school districts, universities and state agencies before the session ends in late April.

PENCE WRITES OP-ED ON CREATING SPACE FORCE: Vice President Mike Pence wrote an op-ed article on creating the Space Force, excerpted here ([Chicago Tribune](#)): Since taking office, President Donald Trump's top priority has been to strengthen our national defense and protect the American people. We have made historic investments to rebuild our armed forces. We have removed unnecessary restraints on our commanders, giving them the rules of engagement they need to defeat our enemies. And to meet the emerging threats in space, the newest war-fighting domain, the president has called for the creation of the U.S. Space Force. On Friday, the defense secretary released a legislative proposal at the president's direction to establish the Space Force, within the Air Force, as the sixth branch of the armed forces. This legislation is the first step toward creating a new, separate military department for space in the future, and our administration will continue working closely with leaders in Congress on both sides of the aisle to get a bill that creates the Space Force to the president's desk this year.

MAYOR PETE TOUTS HIS MILLENNIAL ROOTS: Presidential candidate Democrat Pete Buttigieg touted his experience as a Midwestern millennial mayor to a group of Cedar Rapids voters Monday afternoon ([Cedar Rapids Gazette](#)). Buttigieg, the 37-year-old mayor of South Bend, Ind., said his experience in local government would translate well to the White House, also drawing comparisons between his city and similarly sized Cedar Rapids. "I think when you're a mayor of a city, really of any size, you have that on-the-ground, front-line government executive experience that's so so relevant, understanding not just how to capably run an administration or establish good policies but also to bring people together and how to call people to their highest values when times get tough," Buttigieg said in an interview with The Gazette. "To me that's the essence of executive leadership." "I think when you have a field that's really spread thin, I think that's really good turf for newcomers and underdogs. I get that I'm both of those things," Buttigieg told The Gazette. "I think I represent a very different messenger."

POLLING GIVES BUTTIGIEG A ROUTE: South Bend Mayor Pete Buttigieg is taking his Democratic presidential exploration back to Iowa Monday with stops in Davenport, Iowa City and Cedar Rapids ([Howey Politics Indiana](#)). He has yet to register in any polls, but the NBC/WSJ survey has some good news for him. On "desirable characteristics," being a gay or lesbian comes in at 68/30% totally enthusiastic/comfortable or opposite; and 56/40% for someone under age 40. Here's the bad news for Joe Biden and Bernie Sanders, on someone over age 75, it's 37/62%, and for a socialist, 25/72%. So that's doubly bad news for the Bern. CNN is hosting Buttigieg at a 9 p.m. Sunday town hall broadcast from Austin, Tex. So Mayor Pete is headed for primetime.

LILLY TO PRODUCE CHEAPER INSULIN: Indianapolis-based drug company Eli Lilly says it will soon start selling a cheaper insulin for diabetic patients. The move comes amid outcry over high drug prices (Sheridan, [Indiana Public Media](#)). The new insulin is a generic version of Lilly's popular Humalog. A vial will be sold for \$137, half the price of the name brand version Humalog. Five-pack KwikPens will be \$265. The soaring cost of insulin has been the focus of recent campaigns that highlight how patients struggle to afford the medicine they need to live. Some federal and state leaders have begun to pressure companies to lower drug prices. Eli Lilly and other insulin manufacturers point to pharmacy benefit negotiations and new developments as some of the reasons for high prices. "The significant rebates we pay on insulins do not directly benefit all patients. This needs to change," said David Ricks, Lilly's chairman and CEO in a statement.

McCONNELL SAYS SENATE WILL BLOCK EMERGENCY DECLARATION: Senate Majority Leader Mitch McConnell acknowledged Monday that the Senate will pass a resolution blocking President Donald Trump's emergency declaration on the southern border ([Politico](#)). The Kentucky Republican's comments underscore his inability to shield the president from a bipartisan rebuke, though McConnell added that he expected the House to uphold the president's veto. U.S. Sens. Todd Young and Mike Braun are undecided on their vote ([Howey Politics Indiana](#)). McConnell's Kentucky GOP colleague Rand Paul became the fourth Republican senator to join 47 Senate Democrats in supporting the House-passed disapproval resolution, which needs a simple majority to go to Trump's desk. The Senate will vote later this month on the measure to stop Trump from unilaterally redirecting billions toward his border wall. "What is clear in the Senate is that there will be enough votes to pass the resolution of disapproval, which will then be vetoed by the president and then in all likelihood the veto will be

upheld in the House," McConnell said at an event in Louisville, Ky. McConnell said Senate Republicans are studying whether it can amend the resolution but that "it's never been done before," and their options are unclear. McConnell also made clear he tried to dissuade Trump from declaring the emergency, arguing that future Democratic presidents could use it to further liberal policy proposals: "That's one reason I argued without success that he not take this route." "I was one of those hoping the president would not take the national emergency route," McConnell said. "Once he decided to do that I said I would support it, but I was hoping he wouldn't take that particular path."

'MONSTER' WORLD WIDE WEB TURNS 30: Thirty years ago this month, a young British software engineer working at a lab near Geneva invented a system for scientists to share information that would ultimately change humanity ([Yahoo News](#)). But three decades after he invented the World Wide Web, Tim Berners-Lee has warned that his creation has been "hijacked by crooks" that may spell its destruction. "Tim worked a lot," said technician Francois Fluckiger, who took charge of the web team after Berners-Lee left for the Massachusetts Institute of Technology (MIT) in 1994. Berners-Lee was responsible for CERN's internal directory but was interested in ways to allow the thousands of scientists around the world who cooperated with the lab to more easily share their work. "Very early on, we had the feeling that history was in the making," Fluckiger said. In 1990, Belgian scientist Robert Cailliau came onboard to help promote the invention, which used Hypertext Markup Language, or HTML, as a standard to create webpages. They created the Hypertext Transfer Protocol, or HTTP, which allows users to access resources by clicking on hyperlinks, and also Uniform Resource Locators, or URLs, as a website address system. At the end of 1990, Berners-Lee set CERN's first web navigator server into action. The browser was released outside of CERN in early 1991, first to other research institutions and later to the public. Fluckiger, now retired, hailed the web as one of three major inventions in the 20th century that enabled the digital society, alongside the Internet Protocol (IP) and Google's search algorithms. But he lamented the "online bullying, fake news, and mass hysteria" that flourish online as well as threats to privacy. "One has to ask oneself if we did not, in the end, create a completely out-of-control monster."

HOUSE JUDICIARY LAUNCHES TRUMP PROBES WITH 81 SUBPOENAS: The House Judiciary Committee is launching a sweeping new probe of President Donald Trump, his White House, his campaign and his businesses. The panel is sending document requests to 81 people linked to the president and his associates ([AP](#)). House Judiciary Committee Chairman Jerrold Nadler says the investigation will be focused on obstruction of justice, corruption and abuses of power. The aggressive, broad investigation could set the stage for impeachment, although Democratic leaders have pledged to investigate all avenues and review special counsel Robert Mueller's report before taking drastic action. Nadler said Monday's document requests are a way to "begin building the public record" and the committee has the responsibility to investigate. The White House says it has received the House Judiciary Committee's letter requesting documents related to the Trump administration, family and business as part of an expanding Russia investigation. White House press secretary Sarah Sanders said Monday that the White House counsel's office and relevant officials will review the letter and respond at the appropriate time.

TRUMP SAYS HE DIDN'T DISCUSS MILITARY EXERCISES WITH KIM: President Donald Trump said Monday that he did not discuss with North Korea's leader, Kim Jong Un, a halt to U.S.-South Korean joint-military drills, again saying that he believed the costs of the drill are too high ([Politico](#)). "The military drills, or war games as I call them, were never even discussed in my mtg w/ Kim Jong Un of NK — FAKE NEWS!" the president tweeted about last week's summit between the leaders in Hanoi, Vietnam. "I made that decision long ago because it costs the U.S. far too much money to have those 'games', especially since we are not reimbursed for the tremendous cost!" The United States and South Korea announced on Saturday that they were eliminating their large-scale drills and would instead replace them with smaller exercises. North Korea has long opposed the exercises, claiming they are preparation for an invasion. The move was announced several days after talks between Trump and Kim over denuclearization of the Korean Peninsula fell apart. South Korea's national defense minister, Jeong Kyeong Doo, and the acting U.S. secretary of defense, Patrick Shanahan, said in a statement that they adapted the training program to reflect their "desire to reduce tension and support our diplomatic efforts to achieve complete denuclearization of the Korean Peninsula in a final, fully verified manner."

PUTIN ORDERS SUSPENSION OF NUKE TREATY: President Vladimir Putin formally ordered a suspension of Russia's obligations under a Cold War-era nuclear treaty with the U.S., his office said Monday, a death knell for the pact that heightens the threat of a new arms race ([Wall Street Journal](#)). The Kremlin said the decision to suspend the agreement was made after the U.S. said it would stop abiding by the pact, the Intermediate-range Nuclear Forces Treaty, which prohibited the possession, production and flight testing of certain short and intermediate-range nuclear missiles. The statement didn't acknowledge Washington's accusations that Russia had broken its obligations under the INF treaty with the testing of its nuclear-capable 9M729 missile. Those accusations have been met by sabre-rattling from Moscow, with Mr. Putin warning that the unraveling of the agreement would lead to a new arms race.

HPI DAILY ANALYSIS: Michael Jackson has been a Hoosier and national icon with his roots going back to the family's industrial roots in Gary. But the documentary "Leaving Neverland" may represent a point of departure as it explores Jackson's alleged pedophilia, which the Jackson family disputes. TV ads still feature Jackson's music, but a reassessment is underway. - *Brian A. Howey*

BUTTIGIEG STUMPS IN DAVENPORT: Speaking in Davenport Monday, South Bend, Ind., Mayor Pete Buttigieg addressed the big question: Why should a 37-year-old mayor from the Midwest be the Democratic nominee for president? "It makes sense for us to put forward a different kind of voice right now," Buttigieg said in his stump speech, perched atop a short ladder ([Muscatine Journal](#)). "It's time for something completely different — for someone who comes out of executive leadership, someone who comes from the middle of the country, who understands smaller communities, and who took up arms in the defense of our nation." At Brew in the Village, in the Village of East Davenport, Buttigieg spoke to around 90 Quad-Citians about his Midwestern roots and vision for higher office. "I'm excited to be in a community that reminds me of the one I'm from," Buttigieg said. "I'm also from a river community, one that was told it didn't have much of a future. But we didn't want to accept that sitting down." His hour-long meet-and-greet was the first stop on a day-long Iowa tour, his second of the year.

'BE WHO YOU ARE' BUTTIGIEG SAYS IN IOWA CITY: Standing in front of a crowd in the Airliner Monday, presidential hopeful Pete Buttigieg offered a few words for a man thanking Buttigieg for being a role model as an openly gay politician ([Iowa City Press Citizen](#)). "Be who you are," Buttigieg said, after admitting it's not easy to be openly gay and run for office, or be in the military, at the same time. "Don't let them tell you that you have to choose," he said. Buttigieg's trajectory shows he's taken those words to heart. The mayor of South Bend, Indiana, Buttigieg was deployed to Afghanistan in 2014 as a lieutenant in the Navy Reserve. He's a millennial mayor, who was first elected at the age of 29 in 2011. He was re-elected in 2015 and is serving his eighth and final year. At 37 he could become both the youngest and the first openly gay president. "For a really long time, we haven't had LGBTQ perspectives in politics," said Cody Howell, a violence prevention specialist at the Women's Resource and Action Center. "It's a really good start for LGBTQ voices in America."

3 UNIONS ENDORSE CRITCHLOW: Democrat Jason Critchlow South Bend mayoral campaign announced it has been endorsed by three local labor unions; the International Brotherhood of Electrical Workers (IBEW) Local 153, the United Steelworkers of America (USWA) Local 9231 and the United Association of Journeymen and Apprentices of Plumbing and Pipe Fitting Local 172 (UA Local 172) (*Howey Politics Indiana*). Growing up in a working class family, where his dad was a member of both the USWA and the Fraternal Order of Police (FOP), Jason learned the importance of hard work early in his life. His first job was mowing the grass and taking care of the softball diamonds at the local FOP Lodge #36 on South Bend's south side. "With so many families in South Bend still struggling, we know our future requires increasing wages and economic prosperity for everyone," said Critchlow. "I am so proud to receive the endorsement of the IBEW, Steelworkers and Plumbers & Pipefitters and look forward to working with them and all the working families of South Bend."

SOUTH BEND MAYORAL CANDIDATE FACES 2ND THEFT CHARGE: A Democratic candidate for South Bend mayor has been charged with a felony in Miami County and a warrant has been issued for his arrest, stemming from the alleged theft of a recreational vehicle (Bauer, [South Bend Tribune](#)). An arrest warrant was issued Monday for Will Smith, 32, for theft of property valued between \$750 and \$50,000. If he's convicted, state law would bar Smith from holding elected office; the deadline to drop out of the May 7 primary race has already passed. According to documents filed in Miami County Superior Court, Smith is accused of stealing a 2019 Forest River travel trailer around Jan. 27 from RV Dynasty, an RV dealer in Bunker Hill, near Grissom Air Reserve Base. The alleged incident occurred just days before Smith filed as a candidate for South Bend mayor. South Bend police confirmed last month that Smith is a suspect in an auto theft in Starke County, after his repossessed vehicle was taken from an impound lot and found two days later at his home on Whitehall Drive in South Bend.

INDEMS SAY HOLCOMB HEADED FOR BOSMA BUZZSAW: Indiana Democrats say Gov. Eric Holcomb is facing "failure" on the hate crimes front (*Howey Politics Indiana*). The Democrats said: "With over thirty years in the House and a decade plus behind the Speaker's rostrum, Speaker Brian Bosma is the process. That's why first-term Governor Eric Holcomb's move to set up a confrontation with Bosma on pending hate crimes legislation is so puzzling. Holcomb, adamant that any hate crimes proposal includes a list of victim attributes, hasn't proven to be particularly effective with heavy lifts in the legislature (why a policy like hate crimes, that enjoys 74 percent support among Hoosiers, is a heavy lift in the GOP-dominated legislature is another question). What's worse, Holcomb doesn't appear to have much of a plan beyond asking Hoosiers to call their lawmakers. He admitted to being caught off guard by Senate action to gut the bill and didn't lay out a plan to twist legislators' arms or barnstorm the state for some in-district lobbying. In fact, Holcomb is winging his way to Europe. It's easier to lobby lawmakers in Versailles, Indiana than at the Palace of Versailles in France." Chairman John Zody said, "Governor Holcomb is going to look next level ineffective if he fails to rally members of his own party to support a position nearly three-quarters of everyday Hoosiers back," said Zody. "Holcomb continues to govern in low gear, reacting rather than leading. If every day Hoosiers failed to deliver results at work, they'd lose their jobs. Shouldn't we expect the same level of accountability from the state's chief executive officer?"

HILLARY WON'T RUN IN 2020: Hillary Clinton says she's not running for president again ([The Hill](#)). "I'm not running," the 2016 Democratic White House nominee told News 12 Westchester. But Clinton added that she would continue "working and speaking and standing up for what I believe." "I want to be sure that people understand I'm going to keep speaking out," the former secretary of State told the local news network. "I'm not going anywhere. What's at stake in our country, the kind of things that are happening right now are deeply troubling to me. And I'm also thinking hard about how do we start talking and listening to each other again?" "We've just gotten so polarized," she continued. "We've gotten into really opposing camps unlike anything I've ever seen in my adult life."

DEMOCRATS AWAIT BIDEN DECISION: The Democratic presidential primary is waiting on Joe. Candidates-in-waiting admit former Vice President Joe Biden is a factor in their decision-making. Democratic donors and bundlers are sitting on their wallets ([Politico](#)). Then there's the pool of seasoned campaign hands in wait-and-see mode, closely attuned to Biden's next move. The shadow Biden casts over the Democratic field is a sign of his stature in the party — as the loyal No. 2 of the party's beloved President Barack Obama, his polling numbers place him in the front-runner ranks — but it's also a reflection of the lane he would occupy if he were to run.

HICKENLOOPER KICKS OFF CAMPAIGN: John Hickenlooper, who served two terms as governor of Colorado, announced Monday that he is running for president, touting his accomplishments in a state that moved to the left during his time in office ([Washington Post](#)). As governor, Hickenlooper presided over steady economic growth, the legalization of marijuana — which he initially opposed — and a surge that put Democrats in full control of a once-conservative state. "I'm running for president because we need dreamers in Washington, but we also need to get things done," Hickenlooper says in a video announcing his candidacy. "I've proven again and again I can bring people together to produce the progressive change Washington has failed to deliver." Aides said Hickenlooper plans a kickoff rally in Denver on Thursday before heading to Iowa, the first presidential nominating state, this weekend. Until recently, Hickenlooper said he saw little path to the presidency. "I am so moderate I would be a difficult candidate to imagine succeeding anywhere," Hickenlooper told the Associated Press in 2012. Asked about that description during an appearance Monday on ABC's "Good Morning America," Hickenlooper said, "I don't think voters are interested in labels any more."

SANDERS SPEAKS TO 12K AT NAVY PIER: Speaking to a crowd of more than 12,000 people at Navy Pier, independent Vermont Sen. Bernie Sanders on Sunday described a pivotal moment in his political development that happened about 55 years ago when he was a student at the University of Chicago ([Chicago Tribune](#)). Sanders, who transferred to the elite school, was arrested in 1963 while protesting the squalid conditions of mobile trailers that the city provided to reduce overcrowding at South Side schools instead of integrating black students with their white peers. "My activities here in Chicago taught me a very important lesson that I have never forgotten ... real change never takes place from the top on down," he said to booming applause "It always takes place from the bottom on up."

General Assembly

CIG TAX HIKE WILL HAPPEN, BUT NOT THIS YEAR: A cigarette tax hike is coming -- but probably not this year. A coalition of health and business leaders has been lobbying to triple the tax to \$3 a pack, but the House rejected the idea. No one at the statehouse is willing to flatly pronounce the idea dead, but Senate President Pro Tem Rod Bray (R-Martinsville) says it's unlikely to make a comeback (Berman, [WIBC](#)). Bray does say there's "no doubt" legislators will raise the tax "at some point." But he says that point probably won't come this year. One problem, he says, is it's not clear how the money from a cigarette tax would be spent. He says he's heard from several people with suggestions -- suggestions he says probably add up to more than the tax would bring in. The tax hike also isn't getting any support from Governor Holcomb. He concedes a tax hike would lower smoking rates, as the Raise It 4 Health coalition has argued. But he says there's no sign of enthusiasm for the proposal in either the House or Senate.

MUSLIM ADVOCATES CRITICAL OF HATE CRIME BILL: Indiana is not doing enough to address hate and bias violence, said Muslim Advocates. The civil rights advocacy group sent a letter Monday to both Gov. Holcomb and the Indiana General Assembly, urging them to pass a hate crimes law more like the one passed by 45 other states, the federal government, and the District of Columbia (Davis, [WIBC](#)). "There's always going to be an element of discretion when sentencing is taking place," said Madihha Ahussain, special counsel for Anti-Muslim Bigotry, at Muslim Advocates. "But, I think having a law would streamline the process and make it clear that Indiana is taking a stand against hate violence." Indiana gives judges discretion in handing down harsher sentences for crimes that might be connected with bigotry, but the hate crimes or bias crimes bill being considered now was essentially gutted, disappointing Gov. Holcomb, and some Democrats, who walked out of the committee meeting. "It essentially stripped it of all the power that it would have to protect or pursue justice," said Ahussain.

FARM BUREAU DISCUSSES EXTRATERRITORIAL JURISDICTIONS: Through the midpoint of the current Indiana General Assembly session, some bills continue to live while others have been put on the shelf (Eubank, [Hoosier Ag Today](#)). In a move to reduce extraterritorial jurisdiction of cities and towns, SB535 authored by Senator Phil Boots of Crawfordsville, overwhelmingly passed the senate 39-8. Indiana Farm Bureau supports the bill, according to Justin Schneider, Director of State Government Relations. "Our concern is that you shouldn't have dual levels of regulation at the local level," he explained. "Counties can regulate it, but cities or towns should not be allowed to regulate the exact same activity with a different ordinance. There is no reason to have that dual regulation, as well as the issue that you have individuals being regulated by folks they cannot vote for. If you're outside the city you do not vote for municipal officials. Those two arguments make this a rather clear issue for people to understand and want to address." If the issue is not resolved, Schneider says in some cases, "You have cities and towns, not all of them but some of them, trying to tell farmers how they can farm four miles outside of the city."

IMPROVED OVERSIGHT FOR KANKAKEE, YELLOW RIVER BASINS: In the Indiana House HB1270 seeks to restore the Kankakee and Yellow Rivers through an improved oversight mechanism ([Hoosier Ag Today](#)). The bill authored by Rep. Doug Gutwein of Francesville passed the house on a 97-0 vote a month ago and would replace the existing 24-member Kankakee River Basin Commission ([Hoosier Ag Today](#)). Schneider says the existing commission "doesn't have a lot of authority. It can't do the things that need to be done to really get a functional system for drainage and flood control in that entire Kankakee and Yellow River watershed. Right now, the bill changes the structure of the KRBC and I think here in the second half we're going to be talking about the authorities of the Kankakee River Basin Commission and how that supplements what county drainage authority is, and also look at assessments so we can ensure that there is enough money to do the work that needs to be done. There is pretty much universal agreement that there is work that needs to be done in the Yellow River primarily, but also in the Kankakee to protect banks, stop some of the bank erosion that's really loading the system with sand." The replacement would be a board with nine voting members representing each county in the basin in Indiana, an appointee of the governor and also two non-voting representatives from Illinois.

HOUSE TO HELP HUNGRY KIDS: House lawmakers will be filling backpacks with food items to help hungry kids from 10 a.m. to 2 p.m. Wednesday in the South Atrium of the Statehouse. The effort will be led by Speaker Brian Bosma and Democratic Leader Phil GiaQuinta (D-Fort Wayne) (*Howey Politics Indiana*). In January, House lawmakers formally launched a philanthropic partnership with the Salvation Army for the 2019 legislative session. In Indiana, 1 in 5 Hoosier youth face food insecurity or limited or uncertain access to adequate food, according to the Food Research Action Center. Between lunch on Friday and breakfast on Monday, a child could go hungry for up to 68 hours.

Congress

BANKS CITED BY FAMILY RESEARCH COUNCIL: U.S. Rep. Jim Banks (IN-03) and Tony Perkins, the President of Family Research Council (FRC) Action released the following statements regarding Rep. Banks' recognition as a "True Blue Member." This distinction was awarded to Rep. Banks for his 100% pro-life and pro-family voting record (*Howey Politics Indiana*). Said Rep. Banks, "I am honored to receive this recognition from an organization dedicated to protecting life, religious freedom, and traditional family values. Hoosiers from Indiana's Third District live out these principles in their daily lives and expect their members of Congress to reflect these values in their voting record. As the new Democrat-controlled House tries to radically expand pro-abortion policies, crack down on religious freedoms and erode family values, I am proud to stand with FRC Action in fighting back." Said Tony Perkins, "We thank Rep. Banks for voting to defend and advance faith, family, and freedom. As a 'True Blue Member' he voted 100% on legislation that protects babies who are born alive after a failed abortion, help hard-working families set aside funds for an unborn child's future education, and defund the individual mandate in D.C."

VISCLOSKY ANNOUNCES ART COMPETITION: The Congressional Institute and Members of the U.S. House of Representatives annually sponsor the Congressional Art Competition as an opportunity to promote the artistic talent in each Congressional District. U.S. Rep. Pete Visclosky, D-Gary, is encouraging high school students from his 1st Congressional District to participate ([NWI Times](#)). All artwork submissions and application forms must be brought to Visclosky's Merrillville office no later than 5 p.m. April 12. Entries will be accepted from 8 a.m. to 5 p.m. Monday through Friday at 7895 Broadway.

WALORSKI ANNOUNCES ART COMPETITION: U.S. Rep. Jackie Walorski (R-Ind.) today announced the 2019 Congressional Art Competition and invited high school students throughout Indiana's 2nd District to submit their original artwork by Friday, March 29th (*Howey Politics Indiana*). "Each spring I look forward to the chance to celebrate the talents of young Hoosiers artists and help them share their artistic passion and skill," Congresswoman Walorski said. "I encourage all interested high school students in the 2nd District to take this opportunity to showcase their hard work, creativity, and enthusiasm for art."

GOVERNOR: HOLCOMB SAYS 42 COUNTIES SEEK TRAIL FUNDING - Dozens of Indiana counties are hoping to dip into a state grant program that will fund efforts to improve or build hiking and biking trails ([AP](#)). Gov. Eric Holcomb says 42 of Indiana's 92 counties filed applications in the grant program's first round. They're seeking nearly \$144 million for more than 240 potential trail miles. Holcomb says the response "sends a big message that Hoosiers are invested in improving quality of life across the state." The program is offering \$90 million in funding. Up to \$20 million for regional projects and \$5 million for local projects will be allocated in the program's first round.

GOVERNOR: CROUCH SCHEDULE - Lt. Governor Suzanne Crouch's public schedule for March 5, 2019: Crouch speaks at the Indiana Tourism Conference, Indiana Tourism Association, 11:30 a.m. - 12:30 p.m., ET, with Crouch remarks at 12:15 p.m., ET, Embassy Suites, Conference Center, 6089 Clarks Creek Rd., Plainfield, IN 46168.

STATEHOUSE: BIKE TASK FORCE TO MEET - The Indiana Bike Trails Task Force will convene on March 6, 2019 at 2:00 p.m. EST at the Indiana State Library located at 315 W Ohio St, Indianapolis, IN 46202. The meeting will take place in the Authors Room on the second floor. The public is invited to attend (*Howey Politics Indiana*). The Indiana Bike Trails Task Force was established by the Indiana General Assembly in 2017 per House Enrolled Act No. 1174. The Bike Trails Task Force was created to develop actionable concepts to connect existing bike trails throughout Indiana and to estimate the cost of the concept. By July 1, 2019, the task force will present at least six innovative ways to fund the connections to the existing bicycle trails and will prepare a timeline that shows the phases of completion per each funding method. In addition the report will include recommend changes to Indiana law to increase bicycle safety on trails and roadways.

STATEHOUSE: HILL COMPARES HIMSELF OF SMOLLETT - After first appearing last week at FoxNews.com, an op-ed by Attorney General Curtis Hill contrasting the legacy of a civil rights hero with the Jussie Smollett controversy is now available to any outlet interested in publishing it (*Howey Politics Indiana*). In the essay, Attorney General Hill writes about meeting civil rights hero Clarence Henderson at the White House on Feb. 21 – coincidentally the same day that Smollett turned himself into police in connection with allegations that the black and gay actor lied about being the victim of a hate crime. "While Smollett has now attained popularity, he may find respect a harder prize to grasp if allegations are proven to be true," Attorney General Hill writes. "Henderson is someone who has earned respect. If you don't know his name, you should at least know about the civil rights protest in which Henderson participated in February of 1960 – the Greensboro sit-ins."

AGRICULTURE: LEADERS BACK USMCA - Indiana corn and soybean association leaders were there when the U.S.-Mexico-Canada Agreement (USMCA) received unanimous support from the farm groups that organize the annual Commodity Classic during its General Session on Friday, March 1 ([Hoosier Ag Today](#)). American Soybean Association (ASA), National Corn Growers Association (NCGA), National Association of Wheat Growers (NAWG), National Sorghum Producers (NSP) and Association of Equipment Manufacturers (AEM) leaders pledged support for the tri-lateral trade deal that will replace the 25-year-old North America Free Trade Agreement (NAFTA) once ratified by Congress. Congress must ratify the USMCA to close the loop on the legislative process. The farm leaders at Commodity Classic in Orlando, Fla., urged Congress to ratify USMCA quickly. Joe Steinkamp, an Evansville, Ind., farmer and ASA board member, said maintaining reliable international trade partners benefits all U.S. farmers. "We don't take for granted the relationships that U.S. farmers have developed with partners in Canada and Mexico," he added. "Keeping these trade routes open goes a long way toward keeping U.S. farms profitable."

ENVIRONMENT: WABASH VALLEY ASH PONDS NEED ACTION - Federal compliance reporting on coal combustion residuals in fly ash ponds at Duke Energy's shuttered Wabash River Generating Station show levels of arsenic, cobalt and lead higher than groundwater protection standards (Greninger, [Terre Haute Tribune-Star](#)). Duke Energy released its compliance data and reporting on the Wabash River Generating Station, on Bolton Road in West Terre Haute, on March 1. All utilities in the nation are required to release information related to mandatory groundwater testing at coal-fire power plants. The monitoring wells are at the base of the fly ash ponds and are not drinking water well samples, said Duke Energy spokeswoman Angeline Protogere.

EDUCATION: BUTLER DENOUNCES SLUR - Student leaders and administrators at Butler University denounced a white supremacist message found on campus over the weekend ([Fox59](#)). According to Butler University, someone wrote the words "white power" on a dry erase board in the Atherton Union Student Lounge. The university wasn't sure how many students saw the message before it was reported. Butler's Student Government Association released a letter about the incident: It is immensely important to us, as your student leaders and classmates, that we speak out against hateful rhetoric, to assure students that what was written is unacceptable, and to stand in solidarity with those who are impacted.

EDUCATION: SPEA TO BE NAMED FOR O'NEILL - Indiana University President Michael McRobbie has announced a name change for the Indiana University School of Public and Environmental Affairs. The school will be renamed the Paul H. O'Neill School of Public and Environmental Affairs in recognition of O'Neill's career and his \$30 million gift to the school (McLaughlin, [Inside Indiana Business](#)). Both the IU Bloomington and IUPUI campus schools and reflect the renaming. O'Neill's donation will establish the Paul H. O'Neill Center on Leadership in Public Service, a dean's initiatives fund, three faculty chair positions, five professorships, a fellowship program for master's, doctoral and postdoctoral students and a scholarship program. "I am honored to now have the opportunity to give back to this exemplary institution, which means so much to me. My hope is that the school remains a place of excellence where future leaders can combine passion with action and develop the confidence they need to engage with society's greatest challenges and opportunities." O'Neill said in a news release.

EDUCATION: PURDUE REVIVING DOCTORAL PROGRAM - Purdue University's College of Education is bringing back one of its former doctoral programs. The college's doctoral degree in higher education will be renewed after being suspended for nearly a decade (Parker, [Inside Indiana Business](#)). Educational leadership and policy studies professors, Christine Kiracofe and Lisa Snodgrass are resurrecting the program. Kiracofe says the work to renew the program has included updates in the field that have taken place over the past decade. "The program now includes a study abroad component to give students international comparative education experiences, and an internship component which will be personalized to the student depending on their area of interest in higher education," said Kiracofe.

EDUCATION: PURDUE NAMES 2 NEW DEANS - Purdue's College of Science gained two new deans on Friday, according to a Purdue press release. Janice Evans became the dean of the biological sciences department, and Daniel Cziczko became the dean of the earth, atmospheric and planetary sciences department ([Purdue Exponent](#)). Evans came to Purdue from Johns Hopkins University and Cziczko from Massachusetts Institute of Technology. Patrick J. Wolfe, the Frederick L. Hovde Dean of Science, said he is "incredibly proud" that Purdue was able to recruit Evans and Cziczko, in the release.

DEVELOPMENT: RADIUS CELEBRATES 10TH YEAR - Radius Indiana held its annual stakeholders luncheon last Wednesday at the French Lick Resort. Attendees gathered to celebrate the 10th year of the organization, which will celebrate its anniversary on March 9, 2019 (*Howey Politics Indiana*). The meeting featured Radius Indiana Board of Directors' Chair Becky Skillman, who thanked stakeholders for their continued support of Radius and shared some statistics about the growth of the region over the last 10 years; total wages have increased by 34 percent and the average annual wages per worker have increased by 23 percent. Skillman introduced Blaine Parker, Director of Tourism and Quality of Place for Radius Indiana. Parker unveiled the new tourism initiative that Radius will lead to strengthen the region's already thriving tourism industry: "Discover Southern Indiana". The new brand will be used by Radius and its eight counties in a cooperative and complementary joint tourism marketing approach.

MEDIA: NUVO GIVES ASSETS TO FOUNDATION - The former managing editor of NUVO in Indianapolis says he is cautiously optimistic that the alternative newspaper will be able to rebuild its brand. The newspaper announced over the weekend it was ending its print publication after nearly 30 years. Ed Wenck, who now serves as content director at CEDIA in Fishers, says the initial announcement was heartbreaking, especially for the staff who were let go as a result of the move (Brown, [Inside Indiana Business](#)). Wenck says an alt-weekly newspaper brings a certain voice to the community that is not otherwise represented. Kevin McKinney, editor and publisher of NUVO said on the paper's website Monday that he has gifted the brand and its assets to the nonprofit NUVO Cultural Foundation, which will allow for a greater, more writer-focused journalistic effort. "While those of us who love print will mourn its passing, there is a silver lining," McKinney said. "Print and advertising took up 75 percent of our time and focus. Now we can take the precious resources that were applied to print and advertising, and focus all of our energies on reinventing journalism online."

SPORTS: LUKE BROWN'S SEASON ENDS - Luke Brown tried to remain positive Friday night, even after being contained in a way that he hadn't been in a long time ([Muncie Star Press](#)). Delta held Brown to a season-low 15 points in front of a standing-room only crowd, 20 points below his average. (Not that there was any shame in that, as Delta held the state's No. 2 scorer, Luke Bumbalough, 10 points below his average the next night.) It was Brown's lowest-scoring game since the fourth game of his freshman season, not including the game in which he left due to injury. It was an anticlimactic end to a season in which Brown led the state in scoring at 35 points per game, became the fastest in state history to 1,000 points (beating Damon Bailey by six games) and set Blackford's all-time scoring mark. Brown is now at 1,222 career points. Even though he is scoring at a higher clip than Bailey, Brown is still 1,912 points away from the record of 3,134, since the Bruins only played one game in sectionals and Brown missed the final 8 1/2 games of his freshman season due to injury. If he plays 23 games against the next two seasons, he'd need to average 41.6 points per game. Brown visited Northwestern last weekend and has also been in contact with schools like Belmont, Davidson, Butler and Purdue.

SPORTS: DELANEY STEPPING DOWN FROM BIG TEN - The Big Ten Conference today announced that Jim Delany will officially step down as Big Ten Commissioner at the end of his current contract which expires in June of next year. The Big Ten Council of Presidents and Chancellors will conduct a search to fill the role (McLaughlin, [Inside Indiana Business](#)). The search process is being led by Morton Schapiro, president at Northwestern University alongside an executive committee.

They have also hired Los Angeles-headquartered executive search and management consulting firm Korn Ferry to assist in the search. "Jim has had an extraordinary impact on the Big Ten Conference, its member institutions, administrators, students and coaches since 1989," said Schapiro in a news release. "He has been a forward-thinking, collaborative and decisive leader in every aspect of conference proceedings. We thank him for his dedicated service to date and look forward to working with him through the conclusion of his contract."

Nation

WHITE HOUSE: TRUMP TRIES TO BLOCK EMERGENCY VOTE - The White House told Senate Republicans on Monday to "keep their powder dry" ahead of a vote to nullify President Trump's declaration of a national emergency at the U.S.-Mexico border, as the administration worked to limit defections on a measure rebuking the president ([Washington Post](#)). The message was delivered by Zach Parkinson, White House deputy director of government communications, in a meeting Monday morning with Senate Republican communications staffers, according to two people who attended the meeting. It came as Senate Majority Leader Mitch McConnell (R-Ky.) predicted that the resolution to overturn Trump's emergency declaration would pass in the Republican-led Senate — but ultimately not survive a veto. Over the weekend, Sen. Rand Paul (R-Ky.) became the fourth Republican to announce he would vote for the disapproval resolution, ensuring its passage with unified Democratic support.

WHITE HOUSE: TRUMP CONSOLES ALABAMA - President Trump expressed his condolences to those affected by the deadly tornadoes in Alabama (*CNN*). The President, speaking at a White House event today, said he and first lady Melania Trump send "our love and prayers to the incredible people of Alabama" and "everyone affected by the catastrophic" tornadoes. Trump said the tornadoes were "of a force like we haven't seen in a long time." "Our whole nation mourns for the more than 20 lives lost," Trump said, adding that he was briefed this morning on the "absolute devastation." "Probably nobody made it out of that path, that path was brutal," Trump said.

WHITE HOUSE: CHRISTIE CALLS TRUMP ON CLEARANCES 'INDEFENSIBLE' - Former New Jersey Gov. Chris Christie said Monday that the White House's lack of transparency surrounding security clearances for President Donald Trump's daughter Ivanka and her husband, Jared Kushner, is indefensible. In an interview on [MSNBC's "Morning Joe,"](#) Christie said that the Times' report underscores the issue with Trump's decision to bring on family members for official positions in the White House, like Ivanka Trump and her husband's roles as senior advisers. And he allowed that Trump has the right to award a security clearance to whomever he wants, though he argued the president "needs to be held to account for that." But, he said, "If The New York Times story is true — and I have not reason to believe it isn't — then why not tell the truth about it?" Christie asked. "Why not just say I did it, and why wouldn't Ivanka do the same? Just say, 'Listen, my father thinks I'm trustworthy. My husband is trustworthy. He's made the decision we should have access, he's said needs us to consult with him on these issues of foreign policy and intelligence.'"

WHITE HOUSE: TRUMP, PENCE SCHEDULES - President Trump will sign an executive order at 1:45 p.m. in the Roosevelt Room on a "National Roadmap to Empower Veterans and End Veteran Suicide." Vice President Mike Pence is expected to visit Phoenix on Tuesday. According to a news release, Pence's visit to Arizona is to deliver remarks at the National Association of Manufacturer's Spring 2019 of Directors meeting.

DOJ: WHITAKER QUITS - Former Acting Attorney General Matt Whitaker has left the building, CBS News correspondent Paula Reid reports. Although he was replaced by Attorney General William Barr last month, Whitaker was spotted at the Justice Department as recently as last week and had not previously announced his intention to leave the department ([CBS News](#)). Whitaker's last day at the Justice Department was Saturday. It's unclear what he will do next. Whitaker short tenure as the acting attorney general stirred controversy, particularly given his comments critical of special counsel Robert Mueller's investigation before joining the Justice Department.

HUD: CARSON TO LEAVE AFTER 2020 - Housing and Urban Development Secretary Ben Carson says he intends to leave his post at the end of President Trump's term ([Washington Post](#)). Carson made his remarks in a segment airing Monday evening on Newsmax TV, a conservative news outlet. In his two years leading HUD, Carson has dialed back civil rights enforcement at the agency and suspended Obama-era rules that had been aimed at fighting housing segregation and discrimination. "I will certainly finish out this term," Carson said during his interview with Newsmax. But he added, "I would be interested in returning to the private sector because I think you have just as much influence, maybe more, there."

BUSINESS: PURDUE PHARMA EYES BANKRUPTCY - Purdue Pharma LP is working with restructuring advisers to prepare a possible bankruptcy filing as it seeks to contain liability from hundreds of lawsuits alleging it fueled the nation's opioid epidemic, according to people familiar with the matter ([Wall Street Journal](#)). Those advisers now include AlixPartners LLP, a New York-based consulting firm known for its restructuring work, according to a person familiar with the hiring. The company last year hired law firm Davis Polk & Wardwell LLP as restructuring counsel and added longtime restructuring specialist Steve Miller to chair its board. Purdue, the maker of prescription painkiller OxyContin, has been targeted in lawsuits by some 1,600 cities, counties and states seeking to recoup costs incurred by widespread opioid abuse. The municipalities

claim Purdue and other drugmakers' aggressive marketing of prescription drugs helped hook the nation on opioids, leading to a proliferation of overdoses from both legal and illegal opioids.

MICHIGAN: GOV. WHITMER PROPOSES \$500M FOR EDUCATION - Gov. Gretchen Whitmer will propose a \$507 million increase in state K-12 classroom spending in her first budget, including a \$180 boost to the minimum per-student grant and substantial funding hikes to teach Michigan's low-income, vocational and special education students, according to an overview of the plan obtained by The [Associated Press](#). The Democrat also is expected today to call for new "weighted" formula to factor in higher costs for certain students. The plan includes \$235 million in additional base aid — a 2.5 percent bump — along with \$120 million more for special education, an extra \$102 million for economically disadvantaged and other at-risk students, and \$50 million more for career and technical education students.

Local

CITIES: SLAIN EVANSVILLE FIREFIGHTERS MOURNED - Professionally, he was Robert Doerr, a devoted member of the Evansville Fire Department for nearly 28 years, a man who answered every alarm and skillfully performed all tasks asked of him: rope, dive, hazmat, driver, fighting fires ([Evansville Courier & Press](#)). "He wore his badge with pride and dignity," Fire Chief Mike Connelly said. "His legacy of integrity is what the foundation of this department is built upon." Doerr's talent and devotion to service were never more evident than on Jan. 6, 2003, in Downtown Evansville. His crew arrived at a four-story apartment building. Flames spurted from the third floor. Frightened residents waited at their windows. Doerr played a role in rescuing more than a dozen people that day. Later, he received a Silver Merit award. That was Robert Doerr.

CITIES: TROOPER'S SON FACES ATTEMPTED MURDER CHARGE - Authorities say an 11-year-old northern Indiana boy who shot and wounded his father, who is a state trooper, has been charged with attempted murder. The [South Bend Tribune](#) reports St. Joseph County prosecutors filed a petition alleging delinquency for attempted murder, the juvenile equivalent of a criminal charge. Authorities say the off-duty trooper suffered a single gunshot wound to his lower extremities Feb. 21. The trooper was at home in Granger, near South Bend, at the time of the shooting. He was hospitalized afterward and his condition improved as of last week.

CITIES: MUNCIE AMBULANCE COMMENTS REFUTED - City officials are refuting the claims made by Nora Powell and her attorney that the city's plans to fund ambulance service would breach the terms of the interlocal fire protection agreement (Ohlenkamp, [Muncie Star Press](#)). Powell, a member of Muncie City Council, said she couldn't support the use of the Center Township Fire Protection Fund to pay for city based ambulances after she used her own money to seek an independent legal opinion on the issue. The newest version of the plan calls for three ambulances to be stationed at specific fire stations across the city with a fourth being purchased for reserve. It's a scaled-back version of an idea proposed by city officials in 2017. Powell used her own personal money to pay attorney Dan Gibson to examine the legality of using the fund. In a three-page legal response, Gibson stated buying emergency medical equipment using the fund would breach the terms of the agreement between the two municipalities.

CITIES: MICHIGAN CITY COUNCILMAN SEEKS WHISTLEBLOWER PROTECTION - In the first ordinance he's introduced since taking office in December, Fourth Ward Councilman Sean Fitzpatrick wants to add a whistleblower protection policy to the city employee handbook ([Michigan City News-Dispatch](#)). "This came about because I've been approached by different employees from city departments, multiple departments; and they were expressing concerns with things they deem to be inappropriate, maybe by other coworkers or, sometimes, by someone in a supervisory position," Fitzpatrick said after the first reading of his proposed ordinance at the Michigan City Common Council meeting on Feb. 19.

CITIES: FORT WAYNE SEEKS RFQ FOR RIVERFRONT - The City of Fort Wayne Redevelopment Commission is issuing a request for qualifications (RFQ) for teams interested in developing the premier riverfront property located at the northeast corner of Harrison and Superior streets, east of Promenade Park (*Howey Politics Indiana*). The RFQ is available here and asks interested development teams to submit qualifications, portfolios and concepts for the site to the Redevelopment Department no later than Friday, March 22 by 4 p.m. A selection committee comprised of Redevelopment Commissioners, City staff, and a representative from Land Collective, the consultant team leading the Riverfront Implementation Framework, will review the qualifications and select candidate(s) that will be invited to respond to a Request for Proposals (RFP). City redevelopment officials believe a mixed-use development with options for public parking represent the best long-term use for the site. "I am excited by the interest I am receiving from both local and national developers in this property," said Nancy Townsend, redevelopment director. "This property is critical to the success of our ongoing downtown and riverfront development work, and I'm confident the final project will be something our community can take pride in."

CITIES: EX-COACH ACCUSED OF KANKAKEE VALLEY THEFT - An ex-football coach from Kankakee Valley High School accused of pocketing fundraising donations was arrested over the weekend, according to the Jasper County Sheriff's Department ([NWI Times](#)). Derek A. Thompson, 41, of Lowell, faces one charge of theft, a Level 6 felony, following a months-long investigation into the cash thefts, according to the department. In December, the state's auditing agency ordered

Thompson to repay the thousands of dollars he allegedly stole. The State Board of Accounts has claimed Thompson owes \$3,700 in missing money, and \$4,793.46 in special investigation costs.

COUNTIES: STUDENT ARREST IN BLACKFORD SCHOOL THREAT - A juvenile was arrested early Monday in connection with an online threat aimed at Blackford Junior High School ([Muncie Star Press](#)). A Blackford County Schools release said the anonymous posting – apparently on Instagram – “displayed a picture of a weapon and a vague, non-specific threat” concerning the junior high school. A sheriff’s department report indicated the posting referred to a “possible shooting at BJHS in (the) near future.” The report reflects a suspect in the case was transported to a juvenile detention facility in Grant County early Monday. “Thanks to the great efforts of our local law enforcement overnight, the individual responsible is now in custody,” BCS Superintendent Chad Yencer said in the release. “Again, we are thankful to all of our students, and parents who contacted teachers, administrators and law enforcement (Sunday) evening to share information.”

COUNTIES: HOWARD JUDICIAL PAY RAISES HEADED TO SUPREMES - A dispute between a Howard County judge and the county council over employee raises is headed to the Indiana Supreme Court (Myers, [Kokomo Tribune](#)). Howard Superior Court 1 Judge William Menges filed an “order for mandate of funds” on Wednesday that sets into motion a court battle about whether four of his employees deserve raises that Menges believes would more equitably compensate the workers. The order was filed one day after a request for \$13,741 in raises from Menges was denied by the council. That request failed to receive a vote after council members refused to even second a motion on the potential raises, which stand at the center of a months-long controversy over how Menges’ employees are compensated. The council previously denied a slightly larger raise request last February during a period in early 2018 when concerns from Menges about his court’s workload helped spark a revamping of the Howard County court system. Council members have continuously cited the county’s attrition program, which rewards remaining employees in departments that do not replace exiting workers, and Menges’ lack of participation in the program as the reason for their denials.

COUNTIES: BOND HEARING DELAYED AGAIN FOR WASHINGTON - A bond review hearing for a former Lake County councilman accused of beating and holding a former political ally against her will was delayed Monday for yet another week (Reese, [NWI Times](#)). Jamal Washington, 45, appeared in custody Monday in Lake Criminal Court with his attorney Thomas S. Mullins. After a discussion at the bench with Mullins and Deputy Prosecutor Jessica Arnold, Magistrate Kathleen Sullivan rescheduled Washington's hearing on bond and property for March 11. Washington has requested a bond reduction. The Lake County prosecutor's office last week requested a higher-than-standard bond. Washington's bond is set at \$50,000 surety or \$5,000 cash in a February case in which he's alleged to have beat and threatened to kill Gary Councilwoman LaVetta Sparks-Wade while holding her against her will Jan. 29 and 30.

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BIAS CRIME DEBATE 'COMPLICATED' BY BMV CHANGES: Last week, hope was expressed that the bias crime bill could move in the House 'within two weeks', but no progress was made this week (Curry, *Howey Politics Indiana*). That's official progress, at least, according to Speaker Brian Bosma who told reporters that recent developments had caused some reconsideration within the GOP caucus. The cause? Last week, the a 2018 BMV decision that would allow nonbinary-identifying Hoosiers to claim a third option on their driver's license in the form of an 'x' caught public attention. Some Republicans aren't satisfied with the process laid out by the BMV though, and Bosma said that disagreement led to Rep. Sullivan's amendment to a mobile-driver's-license bill earlier this week. The amendment requires persons to obtain a court order allowing them to change the gender on their birth certificate rather than bring a separate form to the BMV. That issue apparently took up enough time to impact the caucus' bias crime discussion, as Bosma said it injected "an entirely different discussion in it", and added that "frankly, it also changed some peoples' minds about where they stood on the bias crime issue." He didn't expand any further on that, telling reporters "just take my word for it."

BOSMA SAYS 'WAIT' ON HILL REACTION: Speaker of the House Brian Bosma is sticking to his guns and saying the House will wait before considering the impeachment of embattled Attorney General Curtis Hill (Curry, *Howey Politics Indiana*). After the Indiana Supreme Court Disciplinary Commission filed a complaint on Tuesday against Hill over sexual assault allegations made against him last year, the stability of his position as AG has again come into question. While the filing itself has re-raised the issue, Bosma told reporters that the intention is to wait for the commission, or potentially the court itself, to come to a final conclusion. The Speaker expressed confidence in the commission as a bi-partisan body, saying "I'm glad it's there, honestly, and we'll wait to see what their conclusion is."

GOVERNORS CAN FILL VACANCIES OF CONSTITUTIONAL OFFICERS: It's clear the governor has the right to fill any vacancies in statewide elected offices (Kelly, [Fort Wayne Journal Gazette](#)). For instance, then-Gov. Mitch Daniels immediately appointed an interim secretary of state when Charlie White was found guilty of felony vote fraud. But the question is whether a temporary 30-day suspension, for instance, would constitute a vacancy. Or how about 90 days? Gov. Eric Holcomb said he is not an attorney and not the one to ask about the logistics of any future discipline. But both he and Bosma agreed the disciplinary commission is the right venue to handle the issue.

REGION LEADERS DIVIDED OVER MOVING CASINO: Leaders of Northwest Indiana communities and casino operators largely picked sides on SB552 based on whether they believe the Region gaming market has peaked and any changes simply rearrange pieces of the pie, or whether they still see room to grow the pie (Carden, [NWI Times](#)). Gary officials fell into the latter camp. They wholeheartedly endorsed the proposed move of one Majestic Star casino from Lake Michigan to a land-based site adjacent to the Borman Expressway, and to send the city's second gaming license to Terre Haute. The nonpartisan Legislative Services Agency estimates the inland move in Gary will generate at least \$8.5 million a year in new tax revenue for the state, and a minimum of \$2.6 million for the city, without even accounting for the potential of luring more Illinois gamblers to a brand new casino just across the state line. Meanwhile, East Chicago and Hammond leaders told the panel they fear the Gary casino move will hurt workers in their communities employed at the Ameristar and Horseshoe casinos, which may lose business due to their unchanging locations on Lake Michigan. "I'll simply say: Let's not do irreparable harm to the Everyday Joe," said East Chicago Mayor Anthony Copeland. "Let's let the rules of engagement stay the way it is." Phil Taillon, chief of staff to Hammond Mayor Thomas McDermott Jr., warned lawmakers that allowing the Gary casino move will destabilize the Region gaming market, and possibly discourage future investment in Indiana by national casino operators.

REP. PENCE SIGHTING IN MUNCIE CONFIRMED: U.S. Rep. Greg Pence met with Central High School government students during an unpublicized visit to Muncie on Wednesday — possibly his first stop here since taking office. Pence spoke to more than 30 AP government, dual-credit government and general government students for one period in the school auditorium, said Principal Chris Walker. Pence also answered questions ([Muncie Star Press](#)). The congressman was the guest of government teacher Julie Snider, who always invites U.S. senators and representatives to speak to her classes about their jobs and the legislative process. "It is not about issues or political agendas," she told The Star Press. "I ask them to discuss a day in the life of a legislator. Neither Pence nor his office has responded to Star Press requests for information or interviews, including whether Wednesday was his first visit to the 6th district's largest city. Pence, who won election in a landslide, spends a lot of his time in his hometown of Columbus.

BRAUN SAYS LOCALS NEED TO PAY MORE FOR ROADS: He declared Washington "really needed" the shakeup it got with the election of Donald Trump as president. He predicted voters will recoil at the outlandishly expensive price tag attached to Democrats' Green New Deal climate change proposal — and that will pave the way for Trump's re-election (Langhorne, [Evansville Courier & Press](#)). But U.S. Sen. Mike Braun didn't seem to ruffle anyone's feathers at the Southwest Indiana Chamber Thursday until he said it's a good thing that local governments are ponying up more money for roads

projects while the federal government pays less. Noting that some localities are paying 50 percent or even more in aid packages with the state's Community Crossings grant program, Braun said the traditional 20 percent local match for federal aid on road projects is untenable. "We've never been in a worse shape federally to even continue the current road funding plan of 80-20," he said. "All we're doing is lying to the public and putting more debt on future generations if we try to do infrastructure now without showing real reform on bringing our deficits down."

FARMERS FACING TOUGHEST TIMES SINCE 1980s: The worst agricultural downturn since the 1980s is taking its toll on the emotional well-being of American farmers ([Transport Topics](#)). In Kentucky, Montana and Florida, operators at Farm Aid's hotline have seen a doubling of contacts for everything from financial counseling to crisis assistance. In Wisconsin, Dale Meyer has started holding monthly forums in the basement of his Loganville church following the suicide of a fellow parishioner, a farmer who'd fallen on hard times. In Minnesota, rural counselor Ted Matthews says he's getting more and more calls. "Can you imagine doing your job and having your boss say 'Well you know things are bad this year, so not only are we not going to pay you, but you owe us,'" Matthews said by telephone. "That's what's happened with farmers." Glutted grain markets have sparked a years-long price slump made worse by a trade war with top buyer China. As their revenues decline, farmers have piled on record debt — to the tune of \$427 billion. The industry's debt-to-income ratio is the highest since the mid-1980s, when Willie Nelson, Neil Young and John Mellencamp organized the first Farm Aid concert.

TRUMP CONTINUES ASSAULTS ON THE LATE SEN. MCCAIN: President Donald Trump on Thursday continued his verbal attacks on the late Sen. John McCain, claiming that the Arizona Republican gave to the FBI an explosive dossier on Trump and Russia "for very evil purposes" ([Politico](#)). The president, in an interview with Fox Business, was asked by host Maria Bartiromo why he "spent a good portion of your time in Ohio the other day trashing" McCain when the senator is dead. "It's not a good portion of my time, it's a very small portion," Trump claimed in an excerpt of the interview released Thursday. He spent several minutes during his rally in Ohio on Wednesday railing against McCain, remarks that did not receive cheers or applause from attendees. The president claimed McCain drew his ire after reports that the late senator had access to the Steele dossier, a mostly unverified document focusing on Trump's alleged ties to Russia, and for his vote against repealing Obamacare. "They gave it to John McCain, who gave it to the FBI for very evil purposes. That's not good," Trump told Fox Business. "And the other thing, he voted against repeal and replace — now he's been campaigning for years for repeal and replace."

DEMOCRATIC VOTERS WANT EXPERIENCE: Democrats are already boasting a diverse crop of candidates for the party's presidential nomination, including a gay millennial veteran with no prior national political experience, two African-Americans and five high-profile women. But more than any of that, Democratic voters are prioritizing experience when thinking about their nominee to challenge President Donald Trump next year, according to a new [Morning Consult/Politico](#) poll. Two-thirds of Democrats surveyed March 15-17 said it's important that the party's eventual nominee has decades of political experience under his or her belt. And while Trump stormed the gates of the GOP during the 2016 presidential primary riding his outsider status to victory, Democrats are putting a premium on proximity to the establishment. Fifty-two percent of the party's voters said it's important that the Democratic presidential nominee be a political insider, compared with 29 percent who preferred an outside operator.

TOP 10 DOGS: Labrador retrievers aren't letting go of their hold on U.S. dog lovers, but German shorthaired pointers are tugging on the top ranks of doggy popularity, according to new [American Kennel Club](#) data. Labs topped the list for the 28th year in a row. Yet there's been plenty of movement over time on the purebred pup-ularity ladder. After Labs, the top five breeds nationwide are German shepherds, golden retrievers, French bulldogs and bulldogs. Rounding out the top 10 are beagles, poodles, Rottweilers, German shorthaired pointers and Yorkshire terriers. Beagles, now No. 6, can boast they're uniquely beloved. No other breed has made the top 10 in every decade since record-keeping began in the 1880s. Why? "They're a good general family dog," lively, friendly, relatively low-maintenance and comfortable with children, says breeder Kevin Shupenia of Dacula, Georgia. Beagles also work sniffing out contraband meat and plants at airports, detecting bedbugs in homes and doing their traditional job: hunting rabbits. "They have a sense of humor, and they're just characters," Shupenia says.

HPI DAILY ANALYSIS: Per the Morning Consult Poll revealing Democratic voters want a presidential nominee with government experience, this comes after Republicans and many independents opted for the reverse, bringing President Trump to power with a blow it up mentality. We're hearing that similar sentiments are surfacing here in Indiana. - *Brian A. Howey*

SMITH RUNNING TO COMPLETE DOWNTOWN ANDERSON PROJECT: During his final year in office as mayor in 2015, Republican Kevin Smith announced "Operation Downtown." Now he is running again to complete the project ([de la Bastide, Anderson Herald-Bulletin](#)). Smith is seeking the GOP nomination to return as Anderson mayor a third time, facing Madison County Auditor Rick Gardner and JoAnna Collette, director of JobSource, in the May 7 primary. The winner of that race will run against either incumbent Democrat Thomas Broderick Jr. or Terry May in the general election in November. Meeting with residents of Parkview Apartments on Tuesday, Smith said he wants to see those projects continue. His slogan for the campaign is "Bring Back Smith." This is his fifth campaign for the city's highest elective office having won in 2003 and 2011 and losing campaigns in 2007 and 2015. The 17 projects in his "Operation Downtown" proposal included two-way streets, an amphitheater along the White River, roundabout at 17th and Jackson streets, and soccer fields at Athletic Park. It's a \$40 million to \$50 million proposal to revitalize the city's core district. "It takes more than four years to accomplish anything," Smith said. "Continuity is important for downtown."

LAKE COUNTY CONSOLIDATES PRECINCTS: Election officials in northwestern Indiana's Lake County have approved a state-mandated consolidation of the county's small voting precincts. Lake County's elections board approved a new precinct map Tuesday that shrinks the county's precincts from 523 to 364 ahead of the May 7 municipal primary elections. The [NWI Times](#) reports the precinct consolidations mean nearly 90,000 voters will have a new polling place. Lake County Democrats had resisted a 2017 state law requiring the county to develop a plan for consolidating precincts with fewer than 600 active voters, arguing that it would most heavily impact the county's heavily-populated northern Democratic strongholds.

MODELS INDICATED TRUMP LANDSLIDE VICTORY: Donald Trump has a low approval rating. He is engaging in bitter Twitter wars and facing metastasizing investigations ([Politico](#)). But if the election were held today, he'd likely ride to a second term in a huge landslide, according to multiple economic models with strong track records of picking presidential winners and losses. Credit a strong U.S. economy featuring low unemployment, rising wages and low gas prices — along with the historic advantage held by incumbent presidents. While Trump appears to be in a much stronger position than his approval rating and conventional Beltway wisdom might suggest, he also could wind up in trouble if the economy slows markedly between now and next fall, as many analysts predict it will. And other legal bombshells could explode the current scenario. Trump's party managed to lose the House in 2018 despite a strong economy. So the models could wind up wrong this time around.

PENCE RECRUITS HASLAM FOR SENATE RUN: Former Tennessee Gov. Bill Haslam met with Vice President Mike Pence on Wednesday to discuss potentially running for Senate next year, according to a source advising Haslam (*Politico Playbook*). Haslam, who left office earlier this year after two terms as governor, has been publicly weighing whether to run to replace Sen. Lamar Alexander, who is not seeking reelection next year. Haslam and Pence spoke for about an hour at the White House, and Pence encouraged him to run, according to the source, who requested anonymity to discuss a private conversation.

General Assembly

SUPERINTENDENT CHANGE ON HOLCOMB'S DESK: The Senate Education and Career Development Committee heard several hours of testimony on some high-priority schooling bills this week, but the biggest education development came from House Bill 1005's passage through the Senate (Curry, *Howey Politics Indiana*). Now awaiting signature by Gov. Eric Holcomb, HB1005 moves up the timeline for changing Indiana's Superintendent of Public Instruction to an appointed position from January 2025 to January 2021. Most Republicans have lauded the action, while Dems expressed disappointment (their Senate amendment to keep it as an elected position also failed this week). Senate President Pro Tempore Rod Bray called it an "efficient" move, especially in light of current State Superintendent Jennifer McCormick's decision not to run for reelection. This means McCormick will be the last official elected to her position, barring any reversals that might come in future years. Of course, it also means the 2020 gubernatorial race will be the first where the appointment of the superintendent will be a campaign issue.

SENATE ADVANCING ELECTION BILLS: The Senate's Elections Committee passed two bills, which are now heading into third reading next week (Curry, *Howey Politics Indiana*). House Bill 1311 makes a few changes to Indiana's absentee ballot process, such as moving the application deadline from 8 days before the election to 12 days. Democratic Sen. J.D. Ford filed an amendment Thursday to allow voters statewide to track their mail-in ballots through the USPS, but Republicans shot that down just as they had when it came up in the House. Republican Senators had fiscal impact concerns on implementing the program and also questioned its record in practice throughout the country, including in St. Joseph's County. Unlike HB1311, the second bill has garnered bipartisan support (and small bipartisan detraction). HB1597 makes an addition to campaign finance reporting law, extending electronic report filing requirements to legislative office candidates.

GAMING BILL GETS FIRST HEARING IN HOUSE: The House Committee on Public Policy heard about five hours of testimony on the comprehensive gaming bill, Senate Bill 552, this week (Curry, *Howey Politics Indiana*). Chairman Ben Smaltz received merits from quite a few speakers for the committee's stamina on Wednesday, but beyond that the testimony-givers had their share of disagreements. Still, the points brought up in the hearing weren't all that different from the ones raised while the bill was in the Senate. They were, perhaps, a little more organized though. Two large groups came

to the Statehouse, each equipped with their own campaign-style buttons, to show support for and against plans to bring one Gary riverboat casino on land and move the other – with both claiming livelihoods and local economies are at stake. Sports leagues and independent gambling sites also sparred again over control of statistical data for sports wagering, which SB552 places solely in the hands of official leagues. Whether any of that moved the needle is unclear, but Rep. Smaltz's committee will consider the bill once more in an upcoming committee meeting, before sending it off to Ways & Means where we're likely to see it all repeat again.

CHURCH GUN BILL REVIVED: A House panel this week revived legislative language on firearm regulations that had stalled at the 2019 session's halfway point (Smith, [Indiana Public Media](#)). The provisions would open the door to guns being allowed in churches on school property, putting that decision in the hands of the property owner – whether that's the school or the church. A similar proposal garnered significant controversy last year. But this year, that change hasn't gotten much pushback from lawmakers, as Rep. Terri Austin (D-Anderson) notes. "I mean, I had actually several ministers reach out to me and say, 'We would like to be able to make that decision for ourselves,'" Austin says.

BMV GENDER STUNT PULLED: The already thorny hate crime issue got an unexpected disruption this week from an unexpected source: A dustup over driver's licenses ([WIBC](#)). The BMV gives transgender Hoosiers the option of an "X" on their driver's license instead of M for male or F for female. An amendment to remove that option brought the House to a halt for an hour this week before it was withdrawn. Speaker Brian Bosma says it's also thrown a wrench into behind-the-scenes hate crime discussions. Bosma won't go into detail, but says injecting an issue that's an emotional one for many legislators complicated the debate, and prompted a couple to change their position. Bosma says he believes the driver's license issue has been settled. People who don't identify with a single gender and want the "X" would first need to get their birth certificate changed, which Bosma says most people transitioning to a new gender do anyway. He says only two Hoosiers have pursued the X in the last year.

Congress

SEN. McSALLY CALLS TRUMP OVER MCCAIN CRITICISM: Arizona GOP Sen. Martha McSally spoke privately to President Donald Trump about his attacks on John McCain on Wednesday evening, McSally told reporters in Arizona on Thursday ([Politico](#)). Trump has repeatedly disparaged McCain, the late longtime Arizona senator and Vietnam veteran, including new attacks on Thursday. McSally said Trump listened to her. "There is a lot of disrespect going on out there all the way around. I did talk to the president yesterday. I wanted to make sure he understood how I felt about Sen. McCain and how Arizona felt about Sen. John McCain. And he heard me," McSally said.

State

ADDICTION: 50K SEEK TREATMENT - According to the Indiana Chamber of Commerce, as many as 50,000 Hoosiers seek treatment each year for a substance use disorder – and most of them are employed (Horton, [Indiana Public Media](#)). About 60 employers filled a room at Lafayette's Ivy Tech campus Thursday to learn what they can do to manage their employees' substance issues. The Employer Opioid Strategy Meeting is designed to teach managers a how to handle the tens of thousands of Hoosiers who hold down jobs while seeking treatment for substance abuse. "We want to make sure that employers know what's on their side of the fence and what they need to do to be an active participant in these conversations," says Indiana Workforce Recovery director Mike Thibideau. He says the sessions help break down some of the existing barriers.

ECONOMY: INDIANA LAGS IN VENTURE CAPITAL - A new report from Indianapolis-based Elevate Ventures says Indiana remains behind other states in the Midwest for venture capital investment. The 2018 Indiana Venture Report shows the state accounted for only 0.22 percent of all venture capital dollars last year (Brown, [Inside Indiana Business](#)). Ting Gootee, chief investment officer at Elevate, says while there is room to grow, Indiana is on the right path. In an interview with Inside INdiana Business, Gootee said a venture community requires different types of ingredients to grow. "Our general business climate is still very much ahead of many other states around the country and also on our neighboring borders," said Gootee. "The next set of ingredients we're looking at are ideas, talent and capital and all of those are necessary to create the type of businesses that will grow from one entrepreneur to a great team and experience hyper growth." Indiana venture capital deals totaled \$253 million in 2018, which is up nearly 70 percent from the previous year. The report says Indiana remains below the national average for VC investment as well.

ECONOMY: INDIANA IN MIDDLE OF PACK ON INNOVATION - Indiana ranked 28th with a WalletHub State Innovation Index of 38.93, nearly half of first-place Massachusetts's 72.31 score ([NWI Times](#)). The Hoosier state ranked 32nd in human

capital and 26th in innovation environment, according to the study.

MILITARY: ARMY SECRETARY TOURS AM GENERAL - Humvees for the U.S. Army are made in only one place in the United States, the AM General Plant in Mishawaka ([WIBC](#)). For the first time, the Secretary of the Army, Dr. Mark Esper, toured the facility Thursday. He said it's imperative that he understand where the Army's tools come from and how he can help to make them better moving forward. "The humvee is a very capable light truck. It's one of many tools in the tool kit," Esper said. "We're going to have 100,000 light trucks in the Army for some time to come. Humvees will be a big part of that fleet so I need to make sure we keep that robust industrial base." Esper, who toured the facility with Indiana Rep. Pete Visclosky (D), went on to say the Army is in a "Renaissance" or sorts when it comes to the technology it uses and the Army is looking to outfit many of the humvees it needs with this new tech.

CLIMATE: GREAT LAKES REGION VULNERABLE - A scientific report says the Great Lakes region is warming faster than the rest of the U.S., which likely will bring more flooding and other extreme weather such as heat waves and drought ([AP](#)). The warming climate also could mean less overall snowfall even as lake-effect snowstorms get bigger, according to the report released Thursday by a team of researchers from universities primarily from the Midwest. The report also predicts more severe algae blooms in the Great Lakes, which make it unsafe for swimming and increase the costs of treating the water. Farming could be hit especially hard, with heavy rains delaying spring planting and dry spells requiring more irrigation during summer. Beaches, dunes and shorelines will be more vulnerable to erosion.

MEDIA: ZALTSBERG JOINS WFIU - Starting April 1, veteran journalist Bob Zaltsberg will join with WFIU-WTIU News team on a part-time basis ([Terre Haute Tribune-Star](#)). Zaltsberg recently retired from the Herald-Times, where he worked for more than 40 years, including 33 years as the editor of the paper. In his new role at the WFIU-WTIU newsroom, Zaltsberg will lead a community-driven journalism project called "City Limits: Bloomington." This series provides an opportunity for audiences to ask questions about Bloomington and its future, and then the WFIU-WTIU News team searches for answers. "With his impressive Rolodex and deep knowledge of Bloomington I can't think of a better person to lead this project than Bob," says WFIU-WTIU News Bureau Chief Sara Wittmeyer.

SPORTS: A DEEP RUN COULD BRING BUCKS TO PAINTER - A deep run in this year's NCAA men's basketball tournament could position Purdue University among the nation's elite college programs, and it also could provide a big payout for head coach Matt Painter. The coach would receive about \$780,000 in bonuses for Purdue's on-court accomplishments this year if the Boilermakers win the title—and possibly more (Shuey, [IBJ](#)). Purdue defeated Old Dominion 61-48 in the first round Thursday night. The terms of Painter's contract, which runs through the 2021-2022 season, includes an abundance of performance-based bonuses worth tens of thousands of dollars, including several related to how well this season's 23-9 team could do in this year's tournament.

Nation

WHITE HOUSE: TRUMP SIGNS CAMPUS FREE SPEECH ORDER - President Trump on Thursday signed an executive order to promote free speech on college campuses by threatening colleges with the loss of federal research funding if they do not protect those rights ([Fox News](#)). "We're here to take historic action to defend American students and American values," Trump said, surrounded by conservative student activists at the signing ceremony. "They've been under siege." "Under the guise of speech codes, safe spaces and trigger warnings, these universities have tried to restrict free thought, impose total conformity and shut down the voices of great young Americans like those here today," he said.

WHITE HOUSE: TRUMP BACKS ISRAEL SOVEREIGNTY FOR GOLAN - President Trump on Thursday endorsed Israeli sovereignty over the Golan Heights, marking what would be a sharp U.S. policy shift over the disputed territory decades after Israel seized the land from Syria in the Six Day War ([Wall Street Journal](#)). "After 52 years it is time for the United States to fully recognize Israel's Sovereignty over the Golan Heights, which is of critical strategic and security importance to the State of Israel and Regional Stability!" Mr. Trump said on Twitter.

WHITE HOUSE: PENCE UPBRAIDS ATLANTA MAYOR OVER ICE - Vice President Mike Pence had strong words for Atlanta Mayor Keisha Lance Bottoms during a stop in Atlanta Thursday ([GPD News](#)). Speaking to a crowd of Immigration and Customs Enforcement agents at an Atlanta-area office, Pence said he had just heard about Bottoms' 2018 decision to move detainees from the city jail and not accept any new ones. "It is amazing to think the mayor actually said — in her words — not be complicit in an immigration policy that intentionally inflicts misery," Pence said. He continued by saying instead that "criminal illegal immigrants and gang members," the flow of drugs like cocaine and fentanyl and human trafficking inflict misery on the country, and ICE agents bring safety and security to Atlanta and beyond.

WHITE HOUSE: CARTER BECOMES OLDEST PRESIDENT EVER - Jimmy Carter was the first U.S. president born in a hospital. Today, he marks a new milestone as the oldest living former president ever. At 94 years and 172 days old, Carter has passed the previous record held by the late President George H.W. Bush. "He and Mrs. Carter take walks, and they have followed a healthy diet for a lifetime," Deanna Congileo, a spokeswoman for the Carter Center, told [CNN](#).

WHITE HOUSE: BUSH SINKS AN ACE - Former President George W. Bush has made a hole-in-one at a Dallas course that will soon host his institute's Warrior Open honoring wounded U.S. military personnel (*AP*). A photo posted Wednesday on Bush's Instagram account shows the beaming 43rd U.S. president holding a golf ball on the par-3 12th green of Trinity Forest Golf Club. Bush was with Kenneth Hersh, who's president and CEO of the George W. Bush Presidential Center, plus board members Mike Meece and Bill Hickey. Bush's post says he made the ace "with coaching" from the trio. The 72-year-old Bush, who lives in Dallas, says his next goal: "Live to 100 so I can shoot my age."

WHITE HOUSE: TRUMP SCHEDULE - President Trump will leave the White House at 9:30 a.m. en route to Joint Base Andrews on his way to Mar-a-Lago. He will arrive at Mar-a-Lago at 12:25 p.m. Trump and first lady Melania Trump will meet with leaders from the Bahamas, the Dominican Republic, Jamaica, Haiti and Saint Lucia at 2 p.m.

PENTAGON: 2 AMERICANS KILLED IN AFGHANISTAN - Two U.S. service members were killed in Afghanistan on Friday while conducting an operation, the NATO-led Resolute Support mission said in a statement ([Reuters](#)). It gave no further details and withheld the names of the service members until next of kin were informed. The U.S. military's mission is focused on guiding and aiding Afghan forces battling the Taliban, who were ousted from power in 2001.

CLIMATE: FLOODING THREAT IN VAST PART OF NATION - Vast areas of the United States are at risk of flooding this spring, even as Nebraska and other Midwestern states are already reeling from record-breaking late-winter floods, federal scientists said on Thursday ([New York Times](#)). A map shows that Indiana faces a moderate to minor risk, particularly in the southwestern tip of the state. Nearly two-thirds of the lower 48 states will have an elevated risk of some flooding from now until May, and 25 states could experience "major or moderate flooding," according to the National Oceanic and Atmospheric Administration. "The flooding this year could be worse than anything we've seen in recent years, even worse than the historic floods of 1993 and 2011," said Mary C. Erickson, deputy director of the National Weather Service, in a conference call with reporters. The major flooding this month in Nebraska, Minnesota, Iowa and elsewhere is "a preview of what we expect throughout the rest of the spring," she said.

MEDIA: SUNDAY TALK - CBS "Face the Nation": Rep. Hakeem Jeffries (D-N.Y.), John Allen. **CNN "State of the Union":** Panel: Rep. Pramila Jayapal (D-Wash.), Scott Jennings, Karen Finney and Bill Kristol (host: Dana Bash). **CNN "Inside Politics":** Jackie Kucinich, Karoun Demirjian, Abby Phillip and Matt Viser. **"FOX News Sunday":** Debut of new Fox News polls on 2020 and the Mueller report ... Panel: Jason Chaffetz, Donna Edwards, Barbara Comstock and Juan Williams. **Power Player:** Susan Rickman, CEO of World Pediatric Project. **NBC "Meet the Press":** Panel: David Brooks, Janet Napolitano, Carlos Curbelo and Kristen Welker.

TERROR: MAIL BOMBER PLEADS GUILTY - A Florida man pleaded guilty Thursday to sending a wave of pipe bombs to CNN and prominent critics of President Donald Trump, attacks that harmed no one but created fear as the devices turned up, day after day, at locations across the country ([AP](#)). Cesar Sayoc sobbed as he entered the plea before a federal judge in New York. "I'm truly sorry," he said. He faces the possibility of a life sentence on 65 criminal counts, including using weapons of mass destruction and illegal mailing of explosives with intent to kill.

HISTORY: RFK'S INDY SPEECH ADDED TO REGISTRY - A recording of a speech Robert F. Kennedy delivered in Indianapolis following Martin Luther King Jr.'s assassination is being inducted into the National Recording Registry ([Indiana Public Media](#)). The Library of Congress announced Wednesday that Kennedy's April 4, 1968, speech is among 25 recordings being tapped for preservation this year because of their cultural and historic importance. Kennedy learned of King's death shortly before he arrived at an Indianapolis park for a presidential campaign stop. He shared the news of King's assassination with a mostly African-American crowd and called for a nonviolent reaction before mentioning the 1963 assassination of his brother, President John F. Kennedy. The library says Kennedy's extemporaneous speech recalls "a frightening time of political violence as well as a dream for a better future."

MEDIA: LETTERMAN STAYED AT CBS TOO LONG - David Letterman says he stuck around on network television about 10 years too long. He made that admission during an appearance Thursday on [Ellen DeGeneres'](#) talk show. Letterman quit in 2015 after 33 years as a late-night host on CBS and NBC, and is beginning his second season on his more leisurely paced Netflix show. "That's not true," DeGeneres told him. "Yes, it is true," Letterman replied. "It turns out nobody had the guts to fire me."

KENTUCKY: GOV. BEVIN EXPOSED HIS CHILDREN TO CHICKEN POX - Kentucky Gov. Matt Bevin says he deliberately exposed his children to chickenpox so they would catch the highly contagious disease and become immune ([NBC News](#)). During a Tuesday interview on Bowling Green radio station WKCT, Bevin said his children were "miserable for a few days"

after contracting chickenpox but said "they all turned out fine." Bevin and his wife, Glenna, have nine children, four adopted. The Republican governor said parents worried about chickenpox should have their children vaccinated. But he said government shouldn't mandate the vaccination.

MICHIGAN: NILES MARIJUANA GROWERS GET GREEN LIGHT - The city of Niles marked another milestone Thursday on the road to commercial marijuana when two medical marijuana growers got the green light from the state ([South Bend Tribune](#)). HDS Investments and MichiCann both received preliminary approvals from the Michigan Medical Marijuana Licensing Board — the first medical marijuana businesses in the city to do so. "This is the first real step toward having somebody up and running so that we can begin to serve the needs of the community," Community Development Director Sanya Vitale said. The first-stage approvals put the businesses on track to join the state's newly regulated marijuana market, which has seen \$46 million in provisioning center sales since Nov. 1, according to the state's Bureau of Marijuana Regulation.

Local

CITIES: HAMMOND COP ABRUPTLY QUILTS AFTER SLUR - A 26-year Police Department veteran abruptly retired Thursday, just hours before he was to be interviewed by his peers about allegations he made homophobic and racist slurs and death threats against a man while off duty at a local bar (Reese, [NWI Times](#)). "It's impossible to be a police officer with words like that coming out your mouth," Mayor Thomas McDermott Jr. said in the wake of the retirement of Sgt. Anthony Hill. McDermott said Hill faced termination over the comments that were captured on audio recordings shared by sources with The Times. McDermott said he would fire a city sanitation employee over those types of comments, much less a police officer. "Once those words came out of his mouth, there was no doubt in any of our minds what we needed to do," said McDermott, who had called on Hill to resign.

CITIES: INDY HAS 2-TIER ECONOMY - Indianapolis' economy is performing well when it comes to increasing prosperity compared with other top U.S. metropolitan areas, but it's near the bottom of the pack for how it serves people near the bottom of the economic ladder, according to a new Brookings Institution report (Colombo, [IBJ](#)). The Indianapolis metropolitan area, which includes Marion County and 10 surrounding counties in central Indiana, ranks 17th of 100 top metropolitan areas on Brookings' "prosperity index," which compares key metrics for cities from 2016 to 2017, including changes in productivity, the average standard of living and average annual wages paid to workers. But the Indianapolis area ranked poorly compared to other U.S. metro areas—76th out of 100—on Brookings' "inclusion index," which measures how cities performed between 2016 to 2017 on median wage growth, the employment rate, and the relative poverty rate, meaning the share of people earning less than half of local median wages. Indianapolis' performance "seems to indicate the presence of a two-tier economy in the region," said Alan Berube, senior fellow at Brookings and the author of the report.

CITIES: INDY SELLING BONDS IN NEW YORK - Representatives from the city of Indianapolis were in New York City on Thursday selling more than \$600 million worth of bonds to investors to fund the new criminal justice center—a milestone in the giant public project (Colombo, [IBJ](#)). About \$610 million in income-tax backed bonds and \$12 million in property-tax backed bonds were put on the market Thursday to fund the construction of the \$571 million project, along with funding a nearly \$40 million debt service reserve fund and the cost of bond issuance. The city expects to close on the bond sales in a few weeks. Sarah Riordan, director of the Indianapolis Bond Bank, told IBJ the city has seen "overwhelming recognition" by investors on the bonds. "We have worked very hard to build investor interest based on the nature of the project and the goals of the project, but also based on the fact that the city is a good investment because we have a good credit rating," Riordan said.

CITIES: MISHAWAKA MARIAN STUDENT ARRESTED FOR THREAT - A Marian High School student was taken into custody Thursday after reported threats to the school ([South Bend Tribune](#)). An email sent to parents said several students came forward to staff after they reportedly overheard an conversation that included threats against the school community. The Mishawaka Police Department was notified and the student was taken into custody. "Please know that safety is a top priority for our school community. I want to thank the students who reported this information and encourage others to do the same if similar instances should arise," the letter to parents read.

CITIES: 2 FRANKLIN SCHOOLS CLOSE FOR TESTING - Students at two elementary schools will have an e-learning day Thursday after recent environmental testing led to a call for more testing, Franklin Community Schools announced Wednesday ([WIBC](#)). Students at Needham and Webb elementaries will have e-learning days on Thursday. All other Franklin students will attend classes as scheduled Thursday. Spring break for students in the district begins Friday. Franklin Schools officials said in July they would test air, water and soil in the area after data showed alarming levels of toxic chemicals in homes near the schools. An Indianapolis-based environmental firm, EnviroForensics, first did testing in July on the grounds at Webb and Needham elementary schools. Both are on the city's east side near Hillview Country Club.

CITIES: MICHIGAN CITY COUNCIL PASSES WHISTLEBLOWER PROTECTION - A new whistleblower ordinance will be added to the city's municipal code after it passed 5-2 at the Michigan City Common Council's regular meeting Tuesday (Smith, [Michigan City News-Dispatch](#)). Sean Fitzpatrick introduced the ordinance last month as a means of making city

employees who want to file complaints against their coworkers or superiors feel better protected against retaliation. The two dissenting votes came from council representatives Tim Bietry and Sharon Carnes, each of whom took issue with some of the language in the ordinance.

CITIES: BLOOMINGTON RAISES TOWING FEES - Bloomington's towing fee for illegally parked vehicles is almost doubling to a maximum of \$125 ([Indiana Public Media](#)). City Council members voted 8-0 in favor of the amended legislation during Wednesday night's meeting. The raise in the maximum towing service fee is a steep shift from the original \$55 maximum day fee and \$65 maximum night fee. Several Towing Companies and City Attorney Mike Rouker brought the request to city council. "It's important for this city to keep the maximum permissible rates that our partners may charge fair," says Rouker. "We value the relationships that we have with our towing partners and we also want to make sure they can pay their employees a fair wage."

CITIES: ELKHART VIBRANT CITIES PROJECT MAKING PROGRESS - A new report from Elkhart County says the Vibrant Communities initiative is making progress. The report outlines the efforts identified in the Action Agenda released by the initiative in 2016 and says 52 of the 77 items listed in the agenda aimed at improving quality of life in the county are either complete or in progress (Brown, [Inside Indiana Business](#)). Some of the projects highlighted in the report include the Elkhart Aquatic Center, the Goshen Theater renovation and the Wa-Nee Vision 2020 plan. In an interview with Inside Indiana Business, Arvis Dawson, co-chair of Vibrant Communities, said the entire effort is about the community. "We want to make sure that they know that they are what makes us vibrant and the fact that they can set a plan, follow it, stick to it and complete it is what vibrant communities do," said Dawson.

CITIES: PARTIAL FUNDING FOR TERRE HAUTE CONVENTION CENTER - The Terre Haute Redevelopment Commission has approved a financing agreement for the new downtown convention center. The *Tribune Star* reports the agreement calls for the city's Redevelopment Department to provide \$3 million up front for the facility and \$500,000 for 19 years in backup financing if the city is unable to meet its obligations (Brown, Inside Indiana Business). The project is now estimated to cost \$32.5 million, up from the original \$25 million estimate. Both the city and Vigo County had previously agreed to pay \$10 million each for the project when it was at the previous cost estimate, according to the publication.

CITIES: SPIN SCOOTERS COMING TO INDY - There could soon be more scooters on the streets of Indianapolis ([WTHR-TV](#)). City leaders just approved the business license for a third company called Spin. Spin will join competitors Bird and Lime, who came to Indy last year. It's still unclear how soon the new scooters will be available in Indy, but Spin can add up to 200 scooters, according to city rules. That could bring the total up to 600 in the city.

CITIES: LOOGOOTEE BREAKS GROUND ON LIBRARY - The small city of Loogootee broke ground Thursday on a new library that will be three times the current facility's size ([Indiana Public Media](#)). The project's been years in the making, and a more than \$1 million loan from the U.S. Department of Agriculture is making it possible. It's part of a program that invests in rural communities. The new library will be on Park Street, next to the St. Vincent de Paul store and food pantry. The organization donated the land, and another business donated a gravel lot adjacent to the space. Library Director Darla Wagler says plans for the new library include much more space for community activities.

COUNTIES: FORMER FLOYD PROSECUTOR FAITH DIES - Stan Faith, who served as Floyd County prosecutor for 16 years before losing to Keith Henderson in 2002, has died. He was 74 ([News & Tribune](#)). Faith was still in private practice operating Stan Faith Law at 412 E. Main St. in New Albany. He lived in Crawford County with his wife Judy and was vice president of the Crawford County Historical and Genealogical Society. Faith prosecuted the first David Camm triple-murder case in 2002.

COUNTIES: SUIT V. BROWN COUNTY INN SETTLED - The State and the former owner of a Brown County hotel have reached a settlement in a 2017 lawsuit stemming from a \$350 fee charged to a customer who left a negative online review ([Indiana Public Media](#)). The settlement, reached in February, grants the customer \$350, and the state \$5,000 in legal fees and \$5,000 in civil penalties. Katrina Arthur says after her stay in 2016, she posted an online review that said there was hair and dirt on the sheets in her room and other cleanliness issues. Indiana's attorney general's office contends that Andrew Szakaly, the owner of Abbey Management Inc. and the former operator of the hotel, violated the state's deceptive consumer sales act by charging guests \$350 if they posted negative reviews but didn't inform management about problems during their stay.

COUNTIES: ST. JOE SUED OVER JAIL DEATH - The St. Joseph County Sheriff's department is being sued for negligence in the death of an inmate who killed himself while in a medical unit at the jail last year. Multiple jail staff members are also named in the suit, which alleges the inmate killed himself while suffering withdrawal (Wright, [South Bend Tribune](#)). Raymond McCarty was arrested and detained in the jail Feb. 21, 2018. He was booked by jail officer Taylor Hammock Leda and went through an intake interview with officer Kurt Vanlandingham, according to the federal lawsuit. During the screening, Vanlandingham reportedly noted McCarty suffered from depression and requested McCarty be further evaluated by a

counselor. McCarty also reportedly told the officer he was prescribed five medications, two for depression, one for blood pressure and two for severe back pain, one of which was an opioid.

COUNTIES: NEW PORTER ELECTION BOARD OFFICIAL - Less than two weeks after a confrontation prior to a meeting resulted in the resignation of the Porter County Election Board president, the newly configured board had a quiet, quick meeting Thursday ([NWI Times](#)). David Welter, of Chesterton, a local attorney and Valparaiso University law professor, was welcomed by fellow board members Republican Dave Bengs and County Clerk Jessica Bailey. Welter, a Democrat, replaced longtime member J.J. Stankiewicz, who resigned Monday. Stankiewicz resigned after a pre-meeting confrontation with Bailey on March 8. Several Porter County Democratic officials called for Stankiewicz's resignation in a letter to Democratic Party Chairman Jeff Chidester on Sunday. They cited what they called unacceptable behavior by Stankiewicz as he pointed his finger and raised his voice at Bailey during the discussion, which was caught on video.



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INDIANA GAMING INSIGHT

Gaming the gaming jobs numbers

Federal benchmarking of 2018 monthly data changes perceptions

We don't typically discuss the monthly gaming employment numbers in this front page space, but we also can't recall such a significant readjustment of direct gaming employment numbers by the U.S. Department of Labor's Bureau of Labor Statistics as we saw this month for 2018 . . . and the revised federal benchmark numbers for Indiana's gaming employment call into question some of the assumptions you may have made about the state of gaming employment in the Hoosier State during any given month last year, and for 2018 as a whole.

While we do see changes in the gaming employment numbers on an occasional basis when the feds pound on the side of their job-crunching computer and rejigger things, the changes that we have seen on both a micro (monthly) and macro (annual) level during 2018 are far more extensive than recent years, and suggest that direct gaming employment in Indiana last year wasn't quite as rosy as we may have led you to believe from the preliminary numbers.

Adjustments tend to be in the 100-job range when we've seen them, with the occasional 300-job change outlier month, but a 500-job change is, as best as we can recall, a relatively unusual event. But if you look at the 2018 revised numbers, if you exclude January and February (which we believe were benchmarked earlier), you'll find that they vary from 100 to 900 . . . and all of the revisions were downward, in contrast to many months in 2017 which had enjoyed increases in direct gaming employment following the federal revisions.

2018 Indiana Direct Gaming Employment Numbers - Preliminary and Revised

| Month | Preliminary | Revised | Difference |
|-----------|-------------|---------|------------|
| December | 11,800 | 11,300 | (- 500) |
| November | 12,000 | 11,500 | (- 500) |
| October | 12,600 | 12,100 | (- 500) |
| September | 12,500 | 11,900 | (- 600) |
| August | 12,500 | 11,600 | (- 900) |
| July | 12,600 | 11,700 | (- 900) |
| June | 12,500 | 11,800 | (- 700) |
| May | 12,300 | 11,800 | (- 500) |
| April | 12,200 | 11,900 | (- 300) |
| March | 12,000 | 12,100 | (- 100) |
| February | 11,900 | 11,900 | - 0 - |
| January | 11,900 | 11,900 | - 0 - |
| Average | 12,233 | 11,800 | (- 433) |

These new figures show that average monthly direct gaming employment in 2018 was just 11,800, down by 433 jobs from the 12,233 preliminary assessment. While nine of the 12 months of 2018 (75%) had appeared to boast at least 12,000 gaming jobs, that number plummets to just two such months after the revisions. Revisions hit the Summer months particularly hard, with May through September seeing the number of jobs written down from 500 to 900 jobs in any given month.

With the revisions, you can see the gradual annual ramp-down in direct gaming employment since the 2008-09 fiscal crisis . . . and that if the 2018 preliminary numbers had held up, 2018 would have boasted the largest number of direct gaming jobs since 2013.

For more, please see the following page . . .

IN Hoosier Bracketology

Where we reveal the Guv's top NCAA pick

A new Morning Consult survey conducted for the American Gaming Association finds that 47 million American adults will wager \$8.5 billion on the NCAA Division I men's college basketball tournament. And while we hate to NIT-pick, there was no word on whether wagering would have topped \$10 billion if Butler University, the University of Notre Dame, and Indiana University had made it to The Big Dance®, as had once been customary.

The NCAA tourney could draw \$400 million in legal wagers at online and retail sportsbooks across the country (led by \$300 million in Nevada and \$75 million in New Jersey), according to analysts for TheLines.com.

Delaware, Mississippi, New Mexico, Pennsylvania, Rhode Island, and West Virginia are expected to generate some \$25 million in NCAA tournament bets.

According to the new Morning Consult findings, 23% of Hoosiers intend to fill out a bracket or place a bet on the tournament, a higher percentage than any of our neighboring states save Kentucky's 30 percent (there are multiple teams from the Bluegrass in the tournament).

Spoiler alert: Governor Eric Holcomb (R) picks Purdue University as national champs!



Note that 2008, the first year of the recession, coincided with the mid-year opening of the racinos.

| 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 11,800 + 500 | 11,300 - 100 | 11,400 - 400 | 11,800 - 400 | 12,200 - 600 | 12,800 - 400 | 13,200 - 700 |
| 2011 | 2010 | 2009 | 2008 | 2007 | | |
| 13,900 - 0 - | 13,900 - 200 | 14,100 - 100 | 14,200 + 100 | 14,100 - 300 | | |

The only over-the-year increase in direct gaming employment came with the opening of the state's first Native American casino (in January 2018), an establishment that is included in the employment figures. While there was a 500-job increment, the preliminary numbers had indicated a gain of 933 jobs over the prior-year average (numbers that probably would have been higher if we used adjusted January and February figures). Since the Pokagon Band of Potawatomi Indians indicated that the property opened in January with 1,200 employees, that suggests – in a simplistic sense – that even with partial new land-based options at some other casinos, the 13 other commercial properties ended up down by a net 700 jobs during 2018.

The 2017 and 2018 numbers also showed improvement due to staffing up of land-based components at assorted properties. But for these new gaming options, chances are employment numbers would still be tumbling as they also did after the Rivers Casino debuted in Des Plaines, Illinois in mid-2011; Illinois started adding video gaming terminals in September 2012; and the Ohio land-based casinos began opening in the first half of 2012, followed by the first quarter 2013 market-changing entry of a downtown Cincinnati land-based casino.

IN General

● As SB 552 was readying for its House debut with a hearing in the House Committee on Public Policy Wednesday afternoon, the panel chair, Rep. Ben Smaltz (R) of Auburn, approached the event saying, “We’ll hear the bill as written, get input from all the stakeholders and the public on what they think about the gaming bill in its entirety, and use what we learned to make adjustments to the bill if necessary,” as he told Matthew Kredell of the Legal Sports Report the week before the hearing. “The first step will be to hear the bill as is, and the following step to work on changes.”

□ Rep. Heath VanNatter (R) of Kokomo, who was one of those behind a House sports wagering bill that did not receive a hearing in deference to the Senate action, told Legal Sports Report that SB 552 cannot pass the House without losing some of the omnibus measure’s current baggage. “We didn’t realize how big that bill was going to get and what they were going to shove into it. I’m not saying that bill won’t pass, but it’s not going to pass in the current form that it came out of the Senate.” However, Rep. VanNatter “also warns that removing elements from the bill will shake up stakeholder support, which could doom Indiana sports betting’s prospects this year. ‘Everybody is in favor of the bill because there’s something for everybody,’ VanNatter said. ‘But there’s no way it’s all going to stay in so, as soon as some of it drops out, you’re going to have people dropping support of the bill. It’s going to be a lot more difficult to pass in the House than in the Senate,’ ” which has always been the understanding.

□ Rep. Smaltz told Kredell that he supports legalizing and regulating sports betting. “I think it’s an easy reach for allowing sports wagering in the casinos. That seems similar to adding any other table or video game.” Rep. Smaltz indicated his discomfort with the mobile wagering component that emerged from the Senate. He “contends there are places in Indiana – including his district and Indianapolis – that choose not to have casinos. He expressed interest in hearing what the public thinks about mobile wagering. ‘I think that the public has to make the decision on if they want wagering available throughout the four borders of the state of Indiana. I think the answer to that in a lot of places is probably not.’ ” Rep. VanNatter, however, “whose district including Kokomo is 50 miles from a casino, sees accessibility to casinos as the reason why mobile wagering is necessary. ‘I think we’ve got to have mobile betting too,’ VanNatter said. ‘There’s no way it’s successful without mobile. Very few people drive to the casinos to do it.’ ”

● The House Committee on Public Policy heard testimony Wednesday afternoon (and through chunk of the evening) on SB 552, the omnibus gaming bill, before a packed House chamber (a few hundred were citizens of Terre Haute and employees of Ameristar Casino East Chicago). When the hearing began, 42 people had signed up to offer testimony on the matter, and with about three hours that were initially allocated for the hearing, speakers were asked to voluntarily limit their respective comments to no more than four minutes each. Work on the bill began close to 3:45 p.m. and stretched, however, some five hours, until almost 8:45 p.m. Amendments and discussion are on tap for a future committee meeting – likely on March 27, because the measure must still head to the House Committee on Ways and Means, and the House committee report deadline is April 9, leaving only two regularly scheduled dates for Public Policy panel members to meet.

□ Back on his old stomping grounds in the House chamber, the bill’s author, Senate Majority Floor Leader Mark Messmer (R) of Jasper, opened the discussion by proclaiming this to be a “once in a generation opportunity to reset the gaming industry in Indiana,” and bring in more money without expanding the number of statutorily limited gaming positions. He explained that this was a collaborative effort that began in July between the industry, regulators, and local government officials. Sen. Messmer ran through the specific provisions of the bill and concentrated on the specifics of the “competitive process” for a Vigo County license to ensure that Vigo County gets the best option possible, which includes the removal of the ownership cap (which he said makes no sense in light of the Caesars Entertainment Corporation ownership of two casinos and both racinos). Federal antitrust law and provisions allowing the Indiana Gaming Commission to consider competition in granting a license would ensure equity. Hammond, East Chicago, Michigan City, and LaPorte County would be afforded a hold harmless clause with local money from Gary, and Evansville and horsemen would also be protected. The historic hotel preservation fund would also be replenished with some tithing. At the request of the Department of Child Services, winnings from sports betting will be subject to collection for overdue child support, just like casino win, and operators will receive an increase in their free play deduction while retaining the ability to sell unused credit to other operators.

□ Sen. Jon Ford (R) of Terre Haute, who prepared the sports wagering provisions, explained that aspect of the bill, including the \$100,000 initial fee from applicants and \$50,000 annual fee for renewals. Official league data would be used to determine outcomes of in-play bets, and the Gaming Commission could consider prohibitions of wagering on certain events. IGC staff could also act on information they receive from a league about unusual betting patterns. Mobile sports wagering would help eliminate illegal sports betting, estimated as a \$300 million industry locally. Amateur, high school, and esports betting would be barred.

□ Rep. Peggy Mayfield (R) of Martinsville asked why there was a \$25 million cap on the historic hotel preservation fund. She was told by Sen. Messmer that it could build higher than that, but diversions of AGR to the fund would be halted at that point. Rep. Justin Moed (D) of Indianapolis asked about the 75-mile exclusion zone and its impact on Indianapolis. Messmer told him that the exclusion zone would impact Indianapolis and sites near casinos for “stability of the casino industry.” Rep. Moed asked if local agreements existed with other properties to share revenue with Indianapolis; Sen. Messmer said he did not believe there were any such local revenue-sharing agreements. This was just the first of several times that Rep. Moed raised a rhetorical question about this to point out that Marion County residents would likely frequent an Indianapolis casino if that were an option instead of visiting other out-of-the county properties – but Indianapolis recoups no revenue from nearby properties. Rep. Dan Forestal (D) of Indianapolis asked Sen. Ford to describe the mechanics behind mobile sports wagering apps. He wanted to know if the app had to be downloaded at a physical location, and Sen. Ford told him a patron would not have to do so at a physical site because they wanted to make it more convenient so as to be easier to capture some of the illegal market. Rep. Sean Eberhart (R) of Shelbyville asked Sen. Messmer why Vigo County was considered, and Messmer explained that it was the largest population center furthest away from other casinos, “and the Spectacle Entertainment, LLC owners saw the potential for pulling quite a bit of their revenue from Illinois” without impacting much of the Indiana market. Asked about 2015 Senate support for the live dealers at racino table games, Messmer acknowledged that there was “substantial support; it was not a close vote,” while in the House 77 ayes constituted “overwhelming support.” Rep. Mayfield asked about why Allen County wasn’t considered as a casino site, and Sen. Messmer told her Fort Wayne was closer to other properties, and the Summit City had not been as interested in relocating a license as Terre Haute. Some at the hearing, however, were old enough to recall that three-term Fort Wayne Mayor Tom Henry (D) had asked lawmakers several years back (as Steuben County was poking around for a potential license) to allow a referendum on a casino in Allen County, but could not gain legislative acquiescence.

□ House Majority Floor Leader Matt Lehman (R) of Berne asked about the provision in Section 39 on removing the prohibition on lobbying with horse racing money and the rationale behind it. He noted that “we have prided ourselves on trying to keep lobbying and money coming from the casinos apart.” Sen. Messmer told him that nothing in the law prohibits casinos from lobbying (with riverboat dollars), but horsemen were barred, and the horsemen asked for the change. Asked about moving the live dealers date up and changing it “from a may to a shall,” Sen. Messmer recalled that this was something that had evolved from a last-minute 2015 demand by then-Gov. Mike Pence (R) – in the “11th hour of conference committee time” – and was inserted simply to avert a veto. Moving the effective date up to 2019 in SB 552 “was a logical request for the racinos to get that, because it was only done at the last hour to get that through ... there was no reason other than trying to satisfy the governor on that.” He did not directly address the mandatory vs. discretionary question, but an inquiry about CIB-related language was met with an answer indicating that an amendment would excise that language.

□ Rep. Smaltz asked about the breed development advisory commission language and was told by Sen. Messmer that it came “at the request of the people in the horse program.” Members would need to have a valid breeder’s license for eligibility. Rep. Smaltz asked Sen. Ford why sports wagering dollars were removed from AGR, and asked how sports wagering would be taxed. Sen. Ford replied that the senate deferred all tax issues to the House Committee on Ways and Means. Sen. Messmer noted the distinction between higher rates on AGR and the six percent to eight percent rate imposed on sports wagering in other states and the 25%+ tax on AGR in Indiana.

Smaltz also followed up on the appraisal provisions. Messmer said the process would value the second Gary license, not inclusive of the land, which was part of SB 66, but other owners needed to know the value of the one license and to be able to compensate Spectacle if needed. The 10-day requirement seemed short to Smaltz, but Messmer assured him “that’s pretty typical.”

□ Formal testimony kicked off with Paul Martin, president of the Quarter Horse Racing Association of Indiana, Inc. Supporting SB 552, he said that it would be an “understatement” to say we’re excited about the opportunities it offered. Rep. Smaltz asked him about the need for change in composition of the breed development panels . . . Bruce Murphy of Crawfordsville, representing the Indiana Thoroughbred Owner’s and Breeder’s Association, said that the changes proposed would lift all three breeds and the “industry will continue to grow.” Rep. Terri Austin (D) of Anderson asked if ITOBA supported moving up the date for live dealers at the racinos, and Murphy told her that “it would help us drastically.” She also asked him about the most recent



agri-business impact for each dollar wagered at the racinos. Rep. Smaltz followed up to ask why it would help the industry, and was told by Murphy that it would mean more gamblers and more money as part of the 12% share for horsemen . . . Nat U. Hill IV of Bloomington, representing the Indiana Standardbred Association, expressed ISA's support, noting that not every provision was perfect or even understandable, but this would be a plus for the state, especially as Kentucky and Ohio tracks venture into similar operations. Moving up the date for live dealers at the racinos would mean a 20% increase to breed development, as well as a \$2 million horse race industry tithe from a Terre Haute casino. He and Rep. Smaltz engaged in a brief colloquy about the permanence of the tithe . . . Brian Elmore, the former Centaur Racing official who now leads the Indiana Horsemen's Benevolent and Protective Association (INHBPA), the entity representing 2,000 owners and trainers in Indiana, reviewed the growth of the agri-business racing-related industry thanks to legislative leadership over the past 30 years. He asked for table game revenues from the racinos to be distributed in the same manner as slot wagering dollars from the two properties . . . Michael Phelps, a Thoroughbred breeder from Fountain County whose wife is a veterinarian, added his support for the bill, complimenting the growth of the horse racing program and praising "the stable but flexible and fair" system for distribution of slot wagering dollars from the racinos, and asked that table game dollars follow the same path.

□ Lake County Councilmember Charlie Brown (D) of Gary, a former 36-year House member who was the House member most responsible for the 1993 riverboat authorization, provided a tutorial for members about the history of the law, after being told by Rep. Smaltz that he could have all the time he wanted - "but I can tell you, people are going to get hungry." Brown began by saying "I am here with one single mission: That is to see that Gary has the opportunity to move one of its licenses off the water, and develop the land where boats currently exist." He called the casino move "an economic development project for the City of Gary." Brown added that SB 66 deserved a hearing as well. He dismissed talk that Gary had been given too many opportunities without being successful, suggesting that "outside forces" typically intervened to keep Gary down. "If Gary does not succeed, the state does not succeed," he added. "We need to look at this as a statewide project that will be physically located in Gary, Indiana, but will also be helpful to the state and the region as well," was how he concluded. Rep. Moed asked about sources of funding for the Regional Development Authority, and Brown deferred to Gary's mayor. Rep. Austin referred to the "fragility" of gaming legislation, and how it was "like herding cats," and asked for his thoughts on potential negative implications for other properties from a Terre Haute casino. Brown told her there would be increased state and local revenues, and others are "taken care of in the legislation," and would be "held harmless" from a new land-based Gary casino. She pressed him on whether the former Majestic Holdco owners had invested appropriately in the Gary property, and Brown politely acknowledged that "visions of development in and around the boats has not been to the level we wanted, hoped for," but the new site should help bring in more revenue. Rep. Lehman served up his concern about changing from moving off the footprint and from the community where a casino was licensed - questioning what would happen if the Hammond boat wanted to relocate to Lafayette. "Nothing is permanent in this body," acknowledged Brown, but the fact remains that

"Gary was first" in this process, "is struggling financially, and we need this economic development" which will inevitably follow from the move to the better inland site. Rep. Lehman observed that Southeast Indiana was also complaining that they were struggling mightily because of Ohio competition. "How do we keep the 12 licenses in their respective spaces if we let them (Gary) out?" "Why should we?" shot back Brown. "Why should we not allow it" if they can show the need, he asked in return. "if they can show you it is better for them, let them." They should however, be required to go through the same kind of process as this, suggested Brown . . . Mayor Anthony Copeland (D) of East Chicago came to the podium wearing his bright red oversized "SAVE OUR JOBS" Ameristar button, arguing that lawmakers should "protect the people" through expansion of gaming, just as they had been asked to save the horses. "This is surely about the expansion of gaming," Copeland asserted, asking "When we expand gaming, whose dollars [are] supporting this risk?" The working person, he responded to his own question. The City of East Chicago played by the "within our footprint" rules, but "Gary had two pairs of shoes." East Chicago wants the casinos to stay within their respective footprints. "Let's not do irreparable harm to the Everyday Joe. Let's let the rules of engagement stay" they are, he stressed. Rep. Moed asked Mayor Copeland about how much local money was sent to the RDA, and Mayor Copeland told him \$3.5 million had to be directed that way, and was spread out to projects around Lake County - "and we've been enriched by it" . . . John Vickerman of Vickerman and Associates, a port consultant retained by the legislature last year to review the economic development potential of the site in question, cited a "transformational capability" for the city at the Gary waterfront site, shaping it into "a world-class intermodal logistics hub," and "North America's intermodal gateway." He detailed how an intermodal site would interact with and complement sites in Chicago. Rep. Austin asked him if there had been any initial discussions with the Indiana Port Commission. "We are very early in the process," he responded. "We have not fully discussed this with all of the Port Commission issues (sic)," but Vickerman added that some major rail operators are interested . . . Gary Mayor Karen Freeman-Wilson (D) thanked everyone for the opportunity to testify in support of SB 552, saying it would help address jobs, crime, and infrastructure issues in the city by providing more financial resources and amenities taken for granted in other communities. "Our focus is on the gateway" facilitated by the casino relocation - which itself offers "a separate economic growth opportunity with a halo effect" - and "this is not a pipe dream." She added that in the mid-1990s, "The Gary boat was misplaced. This is not the highest and best use of the land in Buffington Harbor." We are "not attempting to improve Gary's fortunes on the backs of our neighbors," the mayor asserted, suggesting compensation for them via a hold harmless provision - albeit with "a clear methodology" that would allow a true assessment. "There is a way to frame this bill in the end that will help us all," Mayor Freeman-Wilson concluded . . . Phil Taillon, chief of staff to Hammond's mayor (who had to leave early), testified that this proposal to move the Gary casino off its footprint would "destabilize the gaming industry in the Chicagoland market." We do not believe that relocating one of the Gary licenses to the 80-94 expressway increases the pie," he continued. "It just changes the size of the pieces between each casino property and each local community." The proposal "substantially, inequitably, and unfairly changes the rules." He urged that the port proposal and commitment and capital requirements undergo much closer scrutiny, and the former city economic

development official questioned the signal that the changes would send to those seeking to conduct business in the area. The hold harmless provisions under discussion do not go far enough, Taillon added. "The state cannot afford to make a misstep with this bill," he said. "Let's just not create the problems in the first place," Taillon urged legislators . . . Ameristar Casino East Chicago General Manager Matt Schuffert, a lifelong Hoosier, came to testify on behalf of parent Penn National Gaming, Inc., which also operates Hollywood Casino Lawrenceburg and employs some 2,000+ people in Indiana. He outlined the importance of stability in the market in his company's decisions to invest almost \$100 million in the East Chicago property in recent years, as well as strong and stable state and local taxes (\$1.8 billion in state gaming taxes) and LDA payments - on top of more than \$1 billion paid out in wages. He said this stability "and hundreds of jobs at Ameristar" would be at risk from the newly created "uneven playing field that will solely benefit one company" by allowing one casino to relocate to a "premium location" and cutting off traffic to another. The \$35 million to \$60 million cut expected in Ameristar revenues would also cost 175 to 300 jobs, according to Schuffert. Moving up the date of live dealers at the racinos would also cost \$7 million in annual revenue and a significant number of jobs at the Penn National Dearborn County property. Rep. Vanessa Summers (D) of Indianapolis asked about how live dealers at racino table games would cause Hollywood to lose patrons. John R. Hammond III of Ice Miller, LLP told her that about 15% of Hollywood's table game market is derived from Central Indiana, and some of those patrons would be diverted to the racinos. Rep. Eberhart asked if the bill would result in a larger positive impact to the state, and Schuffert told him it would "simply shift around money from other operators around I-94" to the new casino. Hammond suggested that promises made in the law should be kept. Eberhart asked about the investment Penn National made in 2009 - which Hammond told him was almost one-half-billion dollars worth - and changes in the marketplace. Eberhart asked whether Penn National had involvement in the Ohio referendum and expansion, and Hammond told him several companies were involved. Eberhart suggested Penn National had invested \$50 million in the Ohio referendum, and questioned the validity of the market stability argument after that referendum was approved, while noting that Penn National had adapted. "This bill is not just about table games" for Penn National, Hammond explained, but Eberhart questioned that. "I heard the words market stability several times. I'm wondering why market stability applies at one point in time but not another point in time." Rep. Eberhart threw out some numbers about the impact of Ohio casinos and racinos on Lawrenceburg, and suggested it was a much bigger problem for HCL than the two Indiana racinos. "This is a very tough signal to give" entities nationally who might be looking to enter Indiana, added Hammond, warning about the slippery slope" . . . the self-declared "Earline the Casino Queen," former Sen. Earline Rogers (D) of Gary, representing the City of Gary, reminded those in the chamber that Gary had led the way on casinos. The Mother of Casino Gaming walked committee members through the history, beginning with a suggestion from Gary native Bob Spolyar, a veteran lobbyist, for a Gary land-based casino in 1989. She noted that there were 46 votes the first time through in the House for a land-based Gary casino. After seeing Gary's efforts on gaming over the years, "they rewarded us" with the ability to skip a binding referendum, awarded two boats to the Steel City, and offered the opportunity to be first in the water. "We need to move the casino" today because the

footprint now is where the intermodal port needs to be developed. As for I-80/I-94, "The traffic goes through there, and you know it's location, locations, location," as we have seen from the Hammond casino being next to Chicago. She recalled that Gary lawmakers voted for dockside gaming in 2002 because it was good for the state overall, even though the Gary casinos - which had an advantage under the original must-cruise requirement - were the only ones hurt by the change. Rep. Moed asked her about the RDA and the decision to shift local casino revenue into the RDA. She said it was a deal forged between then-Gov. Mitch Daniels (R), herself, then-Sen. Luke Kenley (R) of Noblesville, and then-Rep. Chet Dobis (D) of Merrillville . . . Sen. Eddie Melton (D) of Gary rose to briefly explain how the SB 66/SB 552 package came about as part of the need to turn around deplorable local economic conditions. "It's no secret that we had some fiscal issues," he acknowledged, but that was exacerbated by a declining population and loss of important industry. This is an opportunity to transform the community based off of existing assets. "We are not asking for the state to 'bail us out.' We're asking for a partnership and an opportunity," said Sen. Melton. "I challenge that notion" that this is "pie in the sky," as some have claimed, he continued. "I don't see this as a gaming opportunity solely, for Gary." He says that this is a bigger opportunity that can boost the tax base and increase local employment. He tells his "family and friends" in Hammond and East Chicago that he wants to work through a fair process to compensate them, but this is a big opportunity for Gary and the state "to move forward in partnership," address "everything that we hear whispered in the background about Gary," and "to move Gary to the next level." Rep. Moed expressed his faith in Sen. Melton and Mayor Freeman-Wilson, and noted that they were putting "skin in the game" by offering up a casino license. "If in fact it is not successful in its second effort," asked Moed, would he favor moving it to another place where it would be more viable? "I would say no," answered Sen. Melton . . . Denise Dillard of Methodist Hospitals in Gary, a former regional workforce development administrator and a current Gary/Chicago International Airport commissioner, spoke at length to how she and her colleagues assessed the need for change, and addressed it within the context of the hospital certificate of need process. There were no questions for her . . . Terry Peck, president of FOP Lodge 61 in Gary, testified about the unique public safety needs of Gary and the lack of resources for "adequate public safety." Everything save "demand for service" in Gary "is in decline," and "the situation is, well, dire." He lauded the potential for the economic development to "help develop the tax base for the city." Peck believes "There is potential on every corner of the city" for a local "renaissance." He faced no questions . . . Mayor Duke Bennett (R) of Terre Haute thanked lawmakers for the opportunity to discuss the bill. "This is a complicated matter; there's no question." He outlined the new three-legged stool: (1) economic development from the proposed Gary port, (2) the boost from a Gary casino move inland, and (3) growth from the new casino for Terre Haute, and referenced the 100+ Vigo County residents who had joined him in the chamber. "I can give you a few stats that would show some of our hardships," the mayor began, "however, I'm focused on our ways to diversify our economy and bring in dollars to address those concerns. I do think Terre Haute and West Central Indiana is on the path to be one of the most competitive regions in the state, and we can certainly use the new revenue to build out aspects of our community." He highlighted recent and

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planned tourism development in Terre Haute and the positive fiscal projections from the bill – as well as the potential for more than 1 million annual visitors. “Our community has rallied together” on the casino proposal, Mayor Bennett added, as he outlined local initiatives that it would complement. “I just want to remind you all that Terre Haute is ready for this opportunity,” he continued. “We will make great use of this revenue to enhance our city, our region, and our state. We believe that we’re best positioned to be ‘All-in.’” Rep. Eberhart asked about his confidence level in passage of a local referendum, and hiszonner suggested it would pass easily, with informal media polls showing 80% support. The mayor added that he “can’t go to the grocery store without being asked about the casino.” No one asked him why Terre Haute doesn’t even have a Target store . . . Vigo County Commissioner Brad Anderson (R) added the support of the county commissioners for the project, and pointed out negative local poverty rate data. “We can’t afford to resist any new opportunity in Vigo County,” he told panel members. Anderson also was excited about how an increase in tourism offers a chance to retain dollars locally through the innkeepers’ tax and food and beverage taxes, as well as money flowing into businesses by tourists. There were no questions for him . . . Melvin Burks of Terre Haute, the Hamilton Center CEO who grew up in Hammond, East Chicago, and Gary in poverty, talked about what he learned from his doctorate in “Streetology” in Terre Haute, and the “underdevelopment of things” locally. He said a local casino “would do more than what we could imagine” to “uplift” the community. “People need a way out of a horrible life.” There were no questions for the official . . . Sara Smith, representing local TH business leaders, spoke to the recent economic changes and challenges in the Terre Haute area, and how a casino would boost the local service industry. “We need a lifeline we need your help to take the next step because our community is definitely ‘All-in’ in making this work.” There were no questions . . . Saint Mary-of-the-Woods College President Dottie King asked “for a little boost from our friends in Indianapolis,” adding that “for us, it will be far more than just the casino,” and “constitute a vote of confidence.” She promised lawmakers that they would see a positive impact far outside just Terre Haute proper. There were no questions . . . Mayor Thomas Broderick (D) of Anderson reviewed the local job losses of the 1980s and 1990s from General Motors departures, and what the city did to respond and rebound. He highlighted the difference that Hoosier Park made when it opened in 1994, and how things progressed even more when Anderson became home to Indiana’s initial racino. “A lot of the ‘negativities’ and concerns” voiced initially about a gaming facility have not come to fruition, and the racino has been “a stable business.” Mayor Broderick continued, “We feel like we need to be part of the community of Indiana and to offer that we have no objection to the bill.” He explained that moving up the date for live dealers would have no impact on the number of positions at the property. “I think we need to be flexible and move with the times and stay competitive with the other states that are obviously putting pressure on gaming in Indiana,” the mayor concluded. There were no questions for the mayor . . . Sally DeVoe, executive director of the Madison County Community Foundation, spoke to the importance of the racino in the philanthropic work in Anderson and Madison County – “they have become ingrained in the community” – a relationship which has continued through Caesars assuming ownership. The bill would mean 650+ new jobs in Madison County, important to philanthropy, DeVoe noted. There were no questions . . . Dirk Webb, CEO of the Madison County Chamber of Commerce, spoke in favor of

SB 552 and the “300 substantial jobs” that it would bring. He noted that Hoosier Park employees had provided more than 14,000 hours of volunteer support in the community. There were no questions . . . Chris Hoke, president of the Shelby County Chamber of Commerce and superintendent of the Northwestern Consolidated School District of Shelby County, spoke on behalf of SB 552, offering his perspective on live dealers at table games and the jobs that it would bring. He said “it would be a boon” to the community and offer jobs to graduates of his school corporation. Hoke said adding live table games would move Indiana Grand Racing & Casino from a regional attraction to a “first-class” national – “and potentially international” entertainment destination that would draw other investment and jobs. He raised the prospect of the Indiana Derby serving as a Triple Crown qualifying race. There were no questions for him . . . Shelbyville Mayor Tom DeBaun (R) introduced local officials in attendance and discussed how racino dollars were used locally for improving quality of life issues, including college scholarships. He noted the international nature of his local business community. Mayor DeBaun talked about local revenues also being directed to the community foundation, and called SB 552 “a jobs bill” that “will diversify our employment base” that is now currently oriented toward manufacturing. There were no questions . . . Lisa Hutcheson of the Indiana Collegiate Athletic Network and vice president of policy and programs for Mental Health America of Indiana, said her organizations were “neutral” on SB 552, but outlined the numbers related to problem gambling in Indiana, and the limited amount of funding available to address the concerns. Indiana ranks 27th out of the 50 states in residents most addicted to gambling; approximately 70,000 people are problem gamblers. She also asserted that some six percent of college students are problem gamblers. Indiana only allocates \$1.8 million to the Division of Mental Health and Addiction from gaming taxes, while problem gambling costs are estimated at about \$10,000 per person. She encouraged funding of annual data collection and analysis of problem gambling and its costs, and comprehensive “evidence-based” training for casino employees. A portion of any new revenue should also be earmarked for problem gambling treatment. Hutcheson further requested strong regulatory policies and structures for sports wagering. There were no questions . . . Christina Gray of the Indiana Council on Problem Gambling, Inc., sought a study of the number of problem gamblers, urged that the percentage of funding pegged at 25% in the bill be boosted to 75%, and that more dollars be devoted to actual treatment. Only 51% of the Gambler’s Assistance Fund currently is used for awareness, prevention, and treatment of problem gambling. Full 40% of the Fund is directed toward substance abuse even though Indiana receives federal funding for this function. She noted that in 2013, the money was supposed to be phased back to problem gambling treatment, but that has not happened. There were no questions . . . NIPSCO Director of Economic Development Don Babcock spoke enthusiastically about the economic development package, touting both the land and the competitive advantage that it offered. He promised full cooperation by NIPSCO “to make something happen up there.” “We want to be a supporter” and grow Northern Indiana, and told lawmakers that \$2.2 million of a new \$3.275 million DINO grant was available for the Gary project. Rep. Eberhart asked Babcock about the power lines on the property and was told that the pipelines and wires there primarily are NIPSCO’s, and that the utility promised to work with developers to expedite the project.

□ Spectacle Entertainment LLC's **John Keeler** introduced Spectacle and its team, noting its all-Hoosier roots and leadership under Terre Haute's **Greg Gibson** and Centaur Gaming's **Rod Ratcliff**. He described Majestic Star Casino's assets and their history dating back to **Don Barden** and **Donald Trump** at the 1996 launch. According to Keeler, "the conditions of the 130 acres of Majestic assets" led to a dearth of interest in their purchase, even though the property has been up for sale for some time. The issues included declining revenues, a one-star hotel in a sad state, 25-year-old boats in need of upgrades, three railroads operating on the footprint, environmental issues at Buffington Harbor, and the inability for patrons to easily find and access the property. "This property involves tremendous risks," including Illinois legislation that could allow gaming to come to Chicago, and significant local competition from Caesars and Penn National. While in the short-run Spectacle is working to stabilize or even grow revenues, and looks to make a profit, the long-term objective is, of course, to move one license to an inland site and invest \$300 million in a new casino and 200-room hotel (complemented by with restaurants, retail, and meeting rooms) with 400 more jobs than at the combined two boats today. The boats at the Buff would not be shut down until the land-based facilities are complete, so no jobs will be lost and the Sate will not lose revenue. They also want to move the second license to Terre Haute and impose "a natural business barrier" to a Danville, Illinois casino by getting into that market first, and serving an underserved area with a new facility costing at least \$100 million and adding at least 400 jobs. Keeler estimates that this casino would generate approximately \$24 million in new gaming and admissions taxes. Based on an uncapped number of positions (unlike the bill proposes today), Spectrum Gaming projects a net new revenue gain of \$75 million in new state taxes. Rep. Lehman questioned him about "allowing all casinos to move wherever they want to move." Keeler told him his experience suggested that all gaming changes in Indiana were incremental, but Keeler added that he saw no reason why decisions should not be made to "artificially limit" a casino to its footprint. Rep. Eberhart followed up on some of the Spectrum numbers. He asked if there would ever be a time when there would be a negative impact to the state in taxes under all the SB 552 provisions, and Keeler confirmed that there would not. Asked if he would be okay if not picked to be the Terre Haute operator, Keeler said "I wouldn't like it," but would expect to be compensated for the loss of that second license. "When we bought Majestic, we bought two licenses," he said. "That's a pretty valuable asset that sits on your balance sheet," noted Eberhart, and needed to be recognized as valuable. "We paid a lot of money for this asset" which included two licenses said Keeler, and "we are taking a big risk." Rep. Mayfield asked about the valuation of the license and appraisal process. "Is there not a value already assigned to your license? This would require an appraisal of it." Keeler explained that the deal was a "merger" process, but eventually the licenses will be valued for tax purposes. He told her that the appraisal was only needed because of the public policy decision to allow others to compete for the Terre Haute license. Other operators would have to file a declaration of interest within 30 days of a Spectacle petition for license move, and that they would have to know how much they would have to compensate Spectacle as part of their proposals if Spectacle was not chosen. Rep. Mayfield asked about how the extent to which Spectacle was sure that it could to secure the desired Gary inland property, and was assured that Spectacle was confident about it. Rep. **Matt Hostettler** (R) of Fort Branch asked if both licenses would be valued the same. Keeler said

only the license to be moved to Terre Haute would be valued, and it would be valued as if it were sitting in Gary - "its location where it is today," interjected Sen. Messmer. Rep. Hostettler asked for a guesstimate on the value, and Keeler told him that while he was contractually bound to confidentiality, he reluctantly ventured \$30 million to \$50 or \$60 million as an appropriate range. Keeler acknowledged that in the case of competition for the Terre Haute license "We start out with an advantage because we've already paid for the license," and that cost would have to be built into the bid of a competitor **Matt Bell** of the Casino Association of Indiana indicated that his members were current neutral about the broader bill, but strongly supported the increase in the free play deduction from \$7 million to \$10 million . . . **Alex Stolyar**, senior vice president of Full House Resorts, Inc., parent company of Rising Star Casino • Resort, made it clear that his company "unequivocally support[s] SB 552." He said, however, that they would like to see it "improved for the benefit of the other seven casino operators." Stolyar note that "Two of the seven operators are winning in a very large way," and "we'd like to see more parity," particularly with respect to Terre Haute, which Full House began pursuing more than two years ago. He asked solons to devise "a fair and open competitive process" to provide Terre Haute and Vigo County the best deal. As currently structured, he told lawmakers, SB 552 "would not allow us or other operators to compete in a fair way" for the Terre Haute license. Stolyar detailed the \$150 million package Full House had proposed for a casino that included 750 to 800 jobs, with both sides of the equation topping the numbers bandied about by Spectacle. "Terre Haute and Vigo County would just be leaving money on the table without a change" in 552. There were no questions . . . **Gretchen Gutman** with Cook Group and **Chris Leininger** of the French Lick property appeared before the panel, and Gutman shared some history about the "unique and innovative public policy decision" that resulted in a public partnership for an Orange County casino, and told the committee that the French Lick property - which employs 1,700 people - would be adversely affected by the move of the Gary license to Terre Haute and by moving up the effective date for live dealers at the racinos. She reminded solons that the Cook family commitment was to make a civic contribution with no return expected, and asked that lawmakers remain respectful of the "uniqueness" of the community and property, the longstanding commitment to local historic preservation, and preserving the economic vitality of the Springs Valley. There were no questions . . . **Ryan Sultz** of Boyd Gaming, owner of Blue Chip Casino and Belterra Casino Resort, spoke to the \$350 million+ in investments his company had made in Michigan City and current \$11 million in event center expansion. He noted the loss of revenue his LaPorte County property would suffer if a Gary casino moved inland. Traffic that it has focused upon generating from Chicago to fight off Native American competition in South Bend would have to pass by the new Gary casino if SB 552 is approved . . . **Trent McIntosh** of Harrah's Hoosier Park Racing & Casino said table games and sports wagering would mean 650+ jobs and \$30 million in new payroll for Hoosier Park and Indiana Grand Racing & Casino, as well as require substantial new investment in physical property development, and would allow them to offer complete gaming experiences and attract new players from out of state. We currently enjoy the benefits of a \$1 billion horse racing industry in the state of Indiana, the Caesars official added. Rep. Moed asked about revenue-sharing with Marion County. Rep. Eberhart asked a leading question about a strong

Indiana Grand property being good for the region, and related it to the Indianapolis and Marion County economic development bill that he would support because it too was good for the region . . . **Nicholas Bonarrigo**, deputy general counsel at **Carmeuse North America**, which operates an industrial facility adjacent to the Majestic property at **Buffington Harbor**, discussed how his company would like to add 70 acres from the Majestic Star footprint to its limestone operations, and “open up space for additional development” . . . **Travis Spotts** of the **World Trade Center Indianapolis** spoke to the Buffington Harbor site being made available for investment and transformation into an Intermodal Gateway. he was the final speaker of the night. He assured lawmakers that “the interest in this project is very real.” There were no questions.

□ As for the sports wagering provisions in the bill, **Dan Emerson**, chief legal officer of the **Indianapolis Colts** appreciated “the thoughtful approach of the Senate” to respecting the integrity of the sports – “quality legislation that could help to shape Indiana as a model for the balance of the nation in legalized sports betting.” Rep. Moed asked him if he would prefer no betting at all or if the proposed framework was better. Emerson slammed the “pernicious” effect of illegal betting on NFL players, fans, and the sports itself. “We are in favor of legalized sports wagering,” he then flatly told Rep. Eberhart. Asked about official league data, Emerson said the team felt “very strongly” about use of official league data for in-game or in-race wagering, because ambiguity is a concern. Yardage or speed could be viewed differently by different observers, and “Without a single resolution by way of the governing body of the particular sport, you run the risk of conflicting results.” Eberhart pressed him on other states that require official data – “Do you know of any issues that they’ve had where the dispute has involved the lack of official league data?” – and was told that most legalized betting to date had been largely for readily determinable items like final results and point spreads. Would the value of the franchise rise if sports betting was legalized? “I left my crystal ball in my other suit,” Emerson replied. He eventually allowed that it would likely result in a marginal increase, but he was concerned that the league was putting its integrity at risk. Rep. Eberhart pursued the Colts’ position on daily fantasy sports, and was told that the team monitored the debate but did not weigh in. He told his questioner that the fantasy sports operators did not use official league data. Asked about the expectation about what the league or team might charge for that data, Emerson responded that there was “not a plan in place, but it wouldn’t be in anyone’s best interest to impose any kind of onerous charge.” He concluded, “We have to remember, the whole idea of this legislation is to wean the illegal bettors away from what they are doing in the illegal environment” and to the regulated structure . . . **FanDuel’s** director of governmental affairs, **Andrew Winchell**, explained that certain steps needed to be taken to move people from the illegal to regulated markets. Mobile gaming is definitely needed to complement in-person gaming, and attract patrons. Few will go through the hassle of driving to a casino to place a sport bet when they can easily access an off-shore website from their phone at home. New Jersey sports betting has far outpaced that of Mississippi due to online betting options, he told lawmakers. With the industry being technology-driven, multiple operators are also necessary to compete for a customer’s business, and taxes must be reasonable and set low enough to drive out illegal operators. Rep. Eberhart elicited an response from Winchell about a 10%

tax rate being at the high end, with an 8.5% in-person to 13% mobile tax rate. Winchell said FanDuel was not taking a position on mandating official league data, saying his company was “agnostic” on the question of just who should provide the data to operators, and that it should be a legislative policy decision . . . **Mark Miles**, president and CEO of the **Hulman Company**, founded in Terre Haute and owner of the **Indianapolis Motor Speedway** and **IndyCar**, spoke in favor of the Terre Haute casino, and said “generally we are in support” of the spots wagering provisions to continue to advance fan interest in his sport. The online mobile gaming option “is very important,” and “we believe that official data is essential” for in-race betting. “I don’t know how it’s possible to offer in race betting without it,” Miles said, at least without a “chaotic effect.” He explained that timeouts cannot be called in racing, and IMS collects 80 million data points, “real-time, during the Indianapolis 500.” There were no questions . . . the Casino Association’s **Bell** said his members were strongly in favor of mobile options for sports wagering. However, “One area where we struggle and cannot support, is on the issue of official data.” He told lawmakers, “You’re being asked as a body to be the first jurisdiction to create a monopoly-data situation for a league. Leagues have said that they have to do this because the market is exploding. Globally, it is estimated that sports betting is about a \$104.3 billion enterprise. Sixty to 70% of that is mobile. At that level of wagering today, if there were integrity problems that had ensued, we would read about them all over the place.” Bell continued: “As operators, we have a profound interest in making sure that any data that we use is accurate and reliable. We don’t simply sit people in garages and call them to ask them what the score was.” He then added, “Remember, you have a world-renowned Indiana Gaming Commission to regulate this activity. In Nevada, the statute is ‘thin,’ and they left a lot of the work of defining and regulating this to the regulator. I encourage you to consider that model,” as well as its excluded person provisions. Rep. Lehman asked him about in-play wagering, and noted that the Commission would first have to approve any type of bet before it could even be offered. Bell called for private contracts to be negotiated between leagues and operators, given that leagues will already benefit to the tune of billions of dollars from increased interests in their respective products. Rather than be about simple win-lose bets, Rep. Lehman suggested that the market is headed to more specific wagers. “It’s about the next pitch, it’s about next this, the next this,” said Lehman. Bell spoke about the prospect of corruption being increased with the limited number of data sources. Rep. Eberhart asked Bell if what he was saying was that the legislation should simply “Let the regulators do their jobs and don’t get too deep into the weeds,” and just deal with the big picture and taxes. Bell largely confirmed his perception. Rep. Austin asked him about whether statutes covered who was barred from wagering at a casino, and Bell explained the exclusions and noted that while someone might not be barred from betting, but the property could be prohibited from accepting the wager. He offered a bifurcated approach on detailing who could be barred from wagering . . . **Soultz** of **Boyd Gaming**, owner of **Blue Chip** and **Belterra**, asked that official league data not be mandated. He cited court rulings holding that such information is in the public domain. Rep. Eberhart asked about how the sports wagering provisions might ultimately impact a compact between the State of Indiana and the **Pokagon Band of Potawatomi Indians**, and was told in a detailed response by Soultz that much hinged on

exclusivity issues . . . Mark Webb, representing Circle City Beverage, explained that his client wanted to develop a sports wagering app, and asked that SB 552 offer some hope for Indiana-based companies to do so. He faced no questions . . . David Miller representing the PGA Tour, Major League Baseball, and the National Basketball Association, supported mobile wagering, noting the significant economic benefits, but raised cautions about consumer protections to reduce problem gambling. Official data should be required for live betting, Miller testified, and the U.S. will trend toward international numbers with as much as 60% of all wagering being in-game products. He wants to eliminate the black market for data, and suggested that Indiana be a national leader today, and “focus on the policy” behind official data. He promised that monopoly power would not be used to “extort” operators. “We have no intent to use some monopoly power,” Miller said, adding the leagues would be willing see a requirement for reasonable pricing. There were no questions.

□ In closing, Sen. Messmer praised the “robust discussion” and appreciated the “good suggestions on amendments” that would guide future discussions. He said that the “1992 business model” that was “common across the country no longer allows our casino industry to function as well as it should be able to.” He continued, “Watching our state’s gaming market decline for a period of years – and remain flat recently – was my impetus to look at a comprehensive bill that can help revitalize our gaming industry and have a positive impact on our budgets.” Sen. Messmer reminded House members that “The budget impact from SB 552 will be in excess of \$100 million.”

□ Sen. Messmer also took a special shot at what he contended were inaccurate statements by Penn National about a compromise involving casino operators on the 2021 date for live dealers at the racinos . . . and over the Ohio casino referendum, which he said the company helped fund to the tune of \$50 million, “ravaging the three casinos in Southeast Indiana.” Messmer referred to the “slow and measured changes” in gaming laws over the past 25 years, and that this “very delicately” balanced bipartisan-authored measure had passed unanimously in two committees and with bipartisan 38-11 support on the Senate floor.

● Asked about SB 552 on the morning after the marathon hearing, House Speaker Brian Bosma (R) of Indianapolis told reporters “It’s before the committee, and Chairman Smaltz is giving it a hard look just as he should, and the members of his committee will be involved in a resolution. Then it will be, as similar bills have been in the past, reassigned to Ways and Means, and Co-Chair Huston and his team will also have a bite at the apple. So, it’s a big bill . . . I’ve never been a supporter – I’ve been a rare supporter, let’s say that – of significant expansion of gaming in our state. I am of the opinion that we’re pretty saturated at this point. And as I’ve said to some as an engineer that used to read dials for a living, you adjust a knob over here, you literally do change the dials at all of the other gaming facilities. So it’s a delicate balance. That’s why there are so many cross-payments and guarantees in the bill as it exists today that make some people, including myself, uncomfortable. But again – big bill; they’re working through it, and I really don’t have a prediction as to what Chairman Smaltz will – what the work product will be – or exactly what Ways and Means will do to it.

□ Then Speaker Bosma dropped a bombshell of sorts, confirming what we’ve been telling you about the apparent lack of any substantive blueprint for the elusive intermodal port. He revealed that “There’s not even a *remote* development plan at this point, according to the Administration, and there’s some reluctance to accept the harbor as a place for development because of the condition of the harbor. So I know that’s being looked at and I don’t know that any final – it isn’t as big a carrot for me, and I believe for the Administration, as one might think, just because of the condition of the Harbor, the environmental condition, for one thing.”

● Indiana is not among a cadre of 14 states filing *amicus* briefs in the U.S. District Court for the District of New Hampshire in *New Hampshire v. Barr*, No. 1:19-cv-00163-PB. The coalition of states, state lotteries, and state attorneys general, urge the New Hampshire district court to grant a declaratory judgment concluding that the federal Wire Act’s prohibitions against interstate wire transmission of wagering information is limited to sports wagering, and that it does not apply to state-conducted lotteries. The states also seek an injunction against enforcement of the controversial January U.S. Department of Justice opinion.

● Reuters reported Monday that those on-again, off-again combination talks are on again, and Eldorado Resorts Inc. and Caesars Entertainment Corporation “are in the early stages of exploring a merger.” Such merger would require divestment in Indiana unless SB 552 or a reasonable facsimile thereof passes this session, because in Indiana, Caesars owns two casinos, both racinos, and Eldorado owns one casino. SB 552 would lift the two-casino ownership limits (which are complicated by the racinos potentially winning approval for live dealers for table games and becoming full-fledged casinos by early 2021 under current law or this Summer, under SB 552).

□ Even if ownership limits were to be uncapped, the Indiana Gaming Commission could conceivably block a license transfer based upon undue concentration (it presumably wouldn’t want one company to own 90% of all licenses) or market competition issues (all four/three Lake County licenses or all three Cincinnati market licenses presumably should not be owned by the same entity).

□ If the merger were to go through as contemplated, the new Caesars-Eldorado combination would have accounted for 57.75% of Indiana’s January revenue at the five properties, and this would surely surpass 60% with live dealers at racino table games (before accounting for any potential dip in Tropicana Evansville revenues a few years down the road as a result of a new Vigo County casino), likely edging close to raising regulatory eyebrows. The market issues do not seem to be as problematic, because the five Caesars-Eldorado properties would largely be in discrete markets: three of the state’s four corners (Hammond, Harrison County, and Evansville), and in Central Indiana (Anderson and Shelbyville).

● Of some 1.1 million outstanding Indiana Department of Revenue 2018 tax warrants owed by approximately 285,000 distinct taxpayers, we’ve pored through the details and discovered that only 10 total DOR tax warrant issuances deal with any form of gaming-related taxes . . . and all relate to charity gaming or gambling activity in bars, taverns, and fraternal organizations:

| Type of Tax Owed | # of Outstanding 2018 Tax Warrants |
|------------------|------------------------------------|
| Gaming Excise | 5 |
| Type 2 Gaming | 5 |

● Indiana amassed \$40.8 million in General Fund revenue collections during February from the riverboat wagering and racino wagering taxes, outperforming the December estimates by \$700,000 (1.7%), yet tumbling compared to February 2018 levels by \$9.0 million (- 18.1%). Through the first eight months of Fiscal Year 2019, tax revenue from gaming sources totals \$238.1 million, topping the \$230.6 million that had been forecasted, and exceeding the \$206.7 million in actual revenue that had been registered by the same July - February point one year earlier.

□ Riverboat wagering tax collections totaled \$30.1 million for February, which is \$200,000 (- 0.6%) below the monthly estimate and \$2.0 million (- 6.2%) below revenue in February 2018. That marks the largest year-over-year erosion (on both a percentage and real-dollar basis) so far this fiscal year. Fiscal year-to-date riverboat wagering taxes of \$159.4 million are running ahead of the most recent round of expectations by \$4.2 million (2.7%) and have improved compared to collections during the same eight months in the prior year by \$26.0 million (19.5%).

□ Racino wagering tax collections for February amounted to \$10.7 million, which is \$900,000 (8.7%) above the recent monthly estimates (the fourth consecutive month exceeding expectations) but \$7.0 million (- 39.7%) below actual revenue in February 2018. This constitutes the steepest year-over-year contraction (on both a percentage and real-dollar basis) thus far in Fiscal Year 2019. Fiscal year-to-date racino wagering taxes have outperformed estimates by \$3.6 million (5.3%), and have also improved compared to the same eight-month point in the prior fiscal year by \$5.8 million (8.9%).

FYTD Comparison to Monthly Targets

| | Forecast | Actual | \$ Differ. | % Differ. |
|----------------------|-----------|-----------|------------|-----------|
| Riverboat Wagering | \$ 155.2M | \$ 159.4M | \$ 4.2M | 2.7% |
| Racino Wagering | \$ 68.0M | \$ 71.6M | \$ 3.6M | 5.3% |
| Riverboat Admissions | \$ 7.4M | \$ 7.1M | (\$ 0.3M) | (3.4%) |

FYTD Comparison to Prior Fiscal Year-to-Date

| | 2018 | 2019 | \$ Differ. | % Differ. |
|----------------------|-----------|-----------|------------|-----------|
| Riverboat Wagering | \$ 133.4M | \$ 159.4M | \$ 26.0M | 19.5% |
| Racino Wagering | \$ 65.7M | \$ 71.6M | \$ 5.8M | 8.9% |
| Riverboat Admissions | \$ 7.6M | \$ 7.1M | (\$ 0.4M) | (5.9%) |

● Indiana's direct gaming employment rebounds in January from December, but only after the bench marking dropped the preliminary December numbers by 500 jobs, as we explained on our front page this week. As a result, the January gain over December is an impressive 400 jobs, a 3.54% over-the-month increase. Compared to January 2018, the first (partial) month in which the Four Winds Casino South Bend was open for business, direct gaming employment fell by 200 jobs (- 1.68%). Still, this is a big improvement from January 2017, when January gaming employment had plummeted to its lowest level in 20 years, dating back to 1997, when only six casinos were floating. The number of direct gaming jobs sinks to its lowest level since August. After benchmarking, only two months during 2018 hit 12,000, and 2019 did not open with even that kind of promise.

□ If we had not factored in the ≈ 1,200 Four Winds jobs, January gaming employment would actually be at its lowest level since 1997, in spite of the number of new jobs created by property additions, renovations, and partial land-side moves. January becomes the 65th consecutive month - more than five straight years - in which the state has seen the gaming employment level linger below 13,000 direct gaming industry jobs.

Direct Gaming Employment - Past 16 Months

| 01/19 | 12/18 | 11/18 | 10/18 | 09/18 | 08/18 | 07/18 | 06/18 |
|--------|--------|--------|--------|--------|--------|--------|--------|
| 11,700 | 11,300 | 11,500 | 12,100 | 11,900 | 11,600 | 11,700 | 11,800 |
| 05/18 | 04/18 | 03/18 | 02/18 | 01/18 | 12/17 | 11/17 | 10/17 |
| 11,800 | 11,900 | 12,100 | 11,900 | 11,900 | 10,700 | 11,000 | 11,300 |

□ After 2018 became the first time in which Indiana's January direct gaming employment demonstrated over-the-year growth since 2011, it dropped again in January 2019. Compared to January just five years back, Hoosier gaming industry direct employment is down by 500 jobs (- 4.10%) from 2014. Dating back 10 years, the number of jobs are off by 2,400 (- 17.02%) from 14,100 in January 2009, as the national fiscal crisis was making its mark during the presidential transition. Indiana is also down by 4,400 gaming jobs - off by 27.33% - from the peak of January direct gaming employment, a robust 16,100 in 2001 (when all boats were still forced by law to cruise; there was one fewer commercial casino; we were bereft of a Native American casino; and both racinos were not yet open).

Direct Gaming Employment - Prior Months of January

| | | | |
|-------------|-------------|-------------|-------------|
| 2019 11,700 | 2012 13,300 | 2005 14,700 | 1998 11,000 |
| 2018 11,900 | 2011 13,900 | 2004 15,300 | 1997 8,100 |
| 2017 10,700 | 2010 13,700 | 2003 15,900 | 1996 1,100 |
| 2016 11,200 | 2009 14,100 | 2002 15,300 | 1995 100 |
| 2015 11,700 | 2008 13,900 | 2001 16,100 | |
| 2014 12,200 | 2007 14,300 | 2000 14,300 | |
| 2013 12,700 | 2006 14,500 | 1999 13,100 | |

IN Sports Wagering

● "Beat Governor Holcomb (with Your Bracket)!" The Indiana Republican Party tells supporters, "It's March in Indiana, so you know what that means. Get your brackets ready, because it's time to Beat the Governor with a spirited bracket challenge as part of the 2019 NCAA Men's Basketball Tournament!" Prizes for the top-placing brackets in this year's Beat the Governor bracket challenge will include:

- First & Second Place
A basketball signed by Governor Eric Holcomb
- Third Place
Any item of your choice from the Indiana GOP store

□ And didn't the Guv let the cat out of the bag with what seemed like a deliberate interjection when he was revealing his NCAA tournament bracket? He joined *Hammer and Nigel* at Emmis Communications to make his picks for the NCAA tournament, and the duo reminded people that "this was just for recreational purposes only, because sports gambling is not in the State of Indiana," when the Governor, with a sly grin, interjected, "yet" . . .

● Sports gaming law attorney **Ryan Rodenberg** writes for ESPN.com that “After decades of public resistance to legalized sports betting – including six years as the lead plaintiff in the lawsuit against New Jersey that eventually made its way to the Supreme Court – the NCAA is moving to address sports betting integrity in new ways.” He also notes that individual conferences are doing the same. “Industry stakeholders point to individual conferences and schools – not necessarily the NCAA – to be uniquely capable of addressing sports betting integrity issues” as result of the fragmented nature of modern college sports as well as more practical reasons. “In order for anything to be addressed in real time, the conferences must be involved,” said **Matthew Holt**, president of U.S. Integrity in Las Vegas. “The individual universities also need to be involved as they are the ones hiring the trainers, interns and associate coaches that get caught for insider information leaks. As it stands now, the conferences only share data when the issues are to the point of the investigation, but the individual universities want the ability to track – in real time – issues that may be arising with any of their employees and not be blindsided after trends have escalated so far that they need to be investigated.”

□ The Indianapolis-based college sports governing authority will convene an internal group to study “how best to protect game integrity, monitor betting activity, manage sports data and expand educational efforts.” Rodenberg relates these efforts “in part, to a confluence of recent events that have highlighted the need for a change in how sports betting is monitored,” including the big shift in team championship futures odds when **Duke University’s** freshman phenom **Zion Williamson** (broke his shoe and) injured his knee, and “Moneyline bets cashing – or not – because of a controversial technical foul call in mid-February after a fan threw a stuffed animal onto the court with less than a second remaining during a tie game between **Georgia and Mississippi State**.” He also cites “Two recent late-game officiating disputes that have left the NCAA considering whether to review all buzzer-beaters, even if the outcome of the game would not be impacted.”

● In advance of Wednesday’s House committee hearing on sports wagering, the **Associated Press** nationally took a look at the mobile element of sports wagering as one of the more unsettled and controversial elements facing states that are addressing sports wagering. Indiana was one of the states that AP noted in the article, finding that while Sen. **Jon Ford (R) of Terre Haute** “wants bets to be taken online as well as at Indiana riverboat casinos and racetracks,” House Committee on Public Policy Chair **Ben Smaltz (R) of Auburn** “said he views mobile betting as a significant expansion of gambling and major policy shift. He fears it could lead to more problem gambling and traditional casino games moving online.”

□ “Everybody’s using mobile to do all kinds of things we weren’t 10 years ago,” Sen. Ford tells AP. “It’s the future. It’s inevitable.” Sen. Ford “co-authored a bill passed by the Senate that now must pass a House committee, but the committee chairman is cool to the idea of allowing sports bets to be placed on mobile devices ‘If you’re allowing sports gaming on a mobile device, what kind of expansion does that lead us to? [Rep. Smaltz] said. ‘I’m comfortable with it in on the properties now, and I’m going to hear the bill. But it would be difficult to imagine a scenario where I, or certainly a large number of people in Indiana, would think it’s a good idea to put mobile out there right now.’”

IN Casinos

Northern Market News . . .

● The Indiana Gaming Commission approves **Larry Kinser** as trustee in waiting for **Ameristar Casino East Chicago**. He had been **Hollywood Casino Lawrenceburg** trustee-in-waiting, which he served as GM in **Argosy Casino Lawrenceburg** days.

● The April issue of *Chicago* magazine explores “Why a Chicago Casino May Never Happen.” Toward the end of the article, which details all the logistical problems (which seem to mirror concerns some have with SB 552 on our side of the border), the author also notes “The exact location of a Chicago casino remains another big-money question that won’t quickly be resolved, if one becomes legal. Convention, tourism, and dining interests crave a downtown presence. However, Mayor **Rahm Emanuel** recently suggested a casino for the Southeast Side’s **Illinois International Port District**. The location would directly compete with the **Horseshoe Casino in Hammond, Indiana**, which draws about \$40 million (sic) in monthly revenues just from players crossing the state border. Not everyone is sold on that strategy. ‘Getting back the money from Indiana is so myopic,’ says **Kim Goluska**, an urban planner who has assisted the **Chicagoland Chamber** on casino issues. ‘The idea is to create a destination anchor in downtown Chicago.’”

□ Fact check: the last time **Horseshoe** topped \$40 million was in March 2018, and it has failed to even reach \$30 million in revenues in two of the past four months. Of course, you would also be hard-pressed to suggest that the amounts estimated in *Chicago* magazine article come exclusively from Illinois gamblers.

● The Indiana Gaming Commission unanimously approves the merger of **Spectacle Entertainment, LLC** with **Majestic Holdco, LLC**, and extracts a \$2 million transfer fee for the privilege, adding to the litany of such transfer fees reaped by the State of Indiana over the past few years from ownership changes in **Evansville, Anderson/Shelbyville, Switzerland County, and East Chicago**. That’s a cool \$5 million with not a lot of heavy lifting.

□ **Peter Rusthoven** of **Barnes & Thornburg LLP** presented the case for the deal on behalf of **Spectacle**, effectively continuing his representation of its principal, **Rod Ratcliff**, which began with the **Argosy Casino Lawrenceburg** license application in 1994-95, in which former **Centaur Gaming** domo **Ratcliff** was a key part of the original proposal with his then-**Pegasus** team. Fresh off his representation of the State of Indiana against **IBM** in another matter involving many tens of millions of dollars, **Rusthoven** discussed **Ratcliff’s** extensive experience and involvement in Indiana gaming history, and referred to others who are intimately involved, including **Greg Gibson** and **John Keeler**.

□ **Rusthoven** acknowledged that **Spectacle** hoped to move a Gary casino “to a much superior location” on **I-80/I-94** in Gary, and explained that the current **Buffington Harbor** home of the two **Majestic Star Casino** vessels and pavilion will have substantially more value for The Region as an intermodal facility. He also noted that there is clear support in **Vigo County** for moving a license there and opening a casino. Such a facility would attract **Illinois** patrons, and reduce the incentive for **Illinois** to open a casino just over the border.

□ When Ratcliff himself spoke, he opened by saying “I’m back,” to laughter. Ratcliff reminisced how he used to haul coal for the father of Greg Gibson, his new business partner. Dana Bennett, chief of staff for the City of Gary, conveyed the support of Mayor Karen Freeman-Wilson (D) for the ownership change and said the city is excited about the opportunity to generate new revenue and substantial economic development from the subsequent change of location. Ron Brewer (D), president of the Gary Common Council and a former employee of Majestic Star, confirmed his support.

□ IGC Commissioner Susan Williams asked if anyone could outline the vision for Terre Haute (Gibson was not in attendance). Ratcliff took the cue and explained, “This would be a game changer for Terre Haute in a lot of ways. The void in the market (in that area) is big for us. And Greg’s big thing is jobs.” He said Gibson would have liked to be at the Commission meeting that day, but conceded, “It’s a tricky situation,” since the General Assembly has not yet decided if or how such a transaction might take place. Otherwise, he suggested, hundreds of people from Terre Haute wearing gray shirts would have made the journey to show that they were All-in with their support. “We are all kind of in a tricky situation,” he reiterated. If a Terre Haute casino opportunity doesn’t come to fruition courtesy of the General Assembly and the Gary licenses don’t move, Rusthoven confirmed, “The commitment is to these boats regardless of what happens in the legislature.”

□ After the ownership transfer was approved, Ratcliff issued a statement saying “Our plans for the Majestic Star I and II have always been dependent on a collaborative effort with city and state government, and this decision allows us to continue to work cooperatively to strengthen Indiana’s economy. This repurposing of existing state gaming licenses will provide job growth and increased tax revenues.” He reiterates that the new inland, off-footprint Gary facility is projected to be a \$300 million investment that would add 400 new jobs to the current 800 jobs at the two existing Majestic Star properties. He adds that the proposed Terre Haute casino – projected to be an investment of more than \$100 million (talk earlier in the day had said it could be as much as \$150 million) – would provide the same economic benefits as the land-based Gary casino, along with more than 400 additional jobs.

● Spectacle Entertainment, LLC Executive Vice President of Operations Jahnae Erpenbach will serve as general manager of the Majestic Star Casino properties in Gary. Erpenbach has more than 26 years of gaming industry experience, having most recently served under Spectacle chief Rod Ratcliff as vice president and general manager at Indiana Grand Racing & Casino and vice president and general manager of gaming at Hoosier Park Racing & Casino.

□ Before joining Ratcliff’s Centaur Gaming team, Erpenbach was executive director of marketing at Penn National Gaming, Inc.’s former Empress Casino Joliet in Illinois, and assisted in the opening and operations of Players International, one of the first riverboat casinos to enter the Midwest market.

● The Majestic Star Casino I and Majestic Star Casino II in Gary went dark about 10:00 p.m. on Tuesday, March 12 to allow the transition from Majestic Holdco ownership to the new Spectacle Entertainment, LLC regime. The boats at Buffington Harbor reopened around 2:00 p.m. Wednesday, March 13 after Indiana Gaming Commission approval.

□ Spectacle’s Rod Ratcliff tells Karen Caffarini of the *Gary Post-Tribune* “I don’t think we’ll remodel the boats, but we want to fix everything that’s broken. There are a lot of broken lights.” According to Caffarini, Ratcliff expects that “the casinos would still be operating in their current vessels for two years, even if the legislature approves the moves this year.”

□ The Gary property’s new GM, Jahnae Erpenbach, tells Caffarini that Spectacle “is taking an immediate three-prong approach that includes replacing several hundred old slot machines with the newest and most popular ones, launching a new guest benefit app for smart phones and quickly introducing a new customer service program. ‘There is some room to grow,’ said Erpenbach As for the name, Erpenbach said it will remain Majestic Star, for now but not for too long. ‘The name change needs to be done at the right time,’ she said.”

● In *Ameristar Casino E. Chicago, LLC, et al., v. Ferrantelli, Sr.*, No. 18A-CT-1174, the Indiana Court of Appeals, on interlocutory appeal, affirms the entry of default judgment by Lake County Superior Court, Civil Division Judge Bruce Parent against Ameristar Casino East Chicago in an 86-year-old man’s negligence lawsuit as a sanction for discovery noncompliance. “This case illustrates the dangers of noncompliance with our liberal and self-effectuating discovery process,” was how the appellate panel opened its 13-page ruling, before remanding the matter to Lake County for proceedings to determine damages on behalf of Joseph Ferrantelli, Sr., the injured man. Ameristar had contended that the trial court abused its discretion both in issuing the default judgment and in declining to set it aside. The appellate panel here was comprised of three highly experienced former trial court judges from Northern Indiana.

□ In a footnote (citations omitted), the appellate panel explains how the case came to be filed: “Ferrantelli explained that he and a ‘lady friend’ of his went to the casino because they had heard about a ‘crab leg deal’ and they wanted ‘to gamble a little bit.’ When they arrived, Ferrantelli’s friend requested a wheelchair, and Ferrantelli was instructed by ‘one of the attendants at a booth’ to take the escalator down to the first level to retrieve the wheelchair. Ferrantelli took the escalator down, and a casino employee gave him the wheelchair. That employee then ‘pointed toward the escalator’ and said, ‘Take the escalator.’ As Ferrantelli was putting the wheelchair on the escalator to go back up, ‘it caught the front wheels and flipped [him] backwards, and [he] landed flat on [his] back.’ ” He sued claiming that Ameristar “failed to properly advise him” and “failed to clearly mark the elevators, among other things.” Ameristar denied his allegations in the complaint, and asserted affirmative defenses, including comparative fault and assumption of risk.

□ The Ferrantelli complaint produced several discovery disputes that dragged on as Ameristar failed to produce witnesses for depositions or relevant documents Judge Parent issued orders directing specific actions by Ameristar, “noting that it appeared that the case ‘has been sandbagged with an older Plaintiff,’ ” as the appellate panel found, even warning “Ameristar’s counsel that the court expected Ameristar to be ‘extremely cooperative here,’ and also twice declared, ‘This Judge hates discovery fights.’ ” He ultimately entered a default judgment against Ameristar as a sanction, and then denied a motion to set aside the default judgment, leading to this interlocutory appeal.

□ The appellate panel was unimpressed with the “specifics of the procedural deficiencies alleged by Ameristar, as we are confident upon review that, even assuming any technical noncompliance with certain procedural rules, Ameristar’s substantive rights have ultimately not been prejudiced.”

□ On the substantive concerns, the intermediate appellate court found that “Ameristar failed to respond and/or was entirely uncooperative with regard to numerous discovery requests, over a protracted period of time, which caused the trial court to intervene and issue its first order to compel discovery. In entering that order, the trial court held the issue of monetary sanctions under advisement and warned Ameristar that it expected full compliance and cooperation moving forward. Although Ameristar complied, for the most part, with that order, it was later revealed that Ameristar had withheld certain witness information, and further that many of Ameristar’s prior discovery responses had been, in the trial court’s opinion, intentionally incomplete and misleading The trial court here made a detailed oral record explaining its frustration with Ameristar’s behavior, as well as its prior warnings to counsel to stop what the court viewed as the intentional sandbagging of the case considering the plaintiff’s advanced age. We conclude that the trial court did not abuse its discretion in determining that the sanction of default judgment was warranted.”

Southern Market News . . .

● Good news for Horseshoe Casino Southern Indiana: With Kentucky’s legislature set to adjourn at the end of the month, a sports wagering bill – which showed early promise – appears to be dead this year, largely due to special off-year rules requiring larger majorities for revenue bills.

□ That will mean no early start (as feared) to sports wagering at the venerable **Churchill Downs** race track or the **Churchill Downs Inc. Derby City** gaming facility which has been siphoning slot players from HCSI to Louisville’s historical horse racing machines.

● **Harrah’s Metropolis Casino** in Metropolis, Illinois, a market competitor for **Tropicana Evansville**, reopened Wednesday morning, March 19, after being closed since February 18 due to **Ohio River** flooding.

● When Adam “Pacman” Jones, the former Cincinnati Bengals star cornerback, changed local lawyers after his arrest for alleged cheating at **Rising Star Casino • Resort** and conduct-related charges arising from being questioned and taken into custody, the prosecuting attorney for **Dearborn County** and **Ohio County** dropped her request for a gag order (and she seemed to indicate her displeasure for the judge and magistrate judge dragging their feet on the initial request – a delay we pointed out to you in our last issue that appeared a bit anomalous), and the court granted her request.

□ There was a small bit of excitement over a request from law enforcement for arrest-related video from a Cincinnati television station – the defense opposed the release as prejudicial – but the judge declined to get involved and supply pre-release guidance as requested by the prosecutor, explaining that the video was held by law enforcement and not the court, release by law enforcement is discretionary, and the issue was not ripe for judicial intervention.

□ On Thursday morning, Jones moved to withdraw his pending motion that sought to strike what his initial attorney had labeled as “inflammatory and offensive language in the probable cause affidavit, “due to the fact that it was filed in this case by the Defendant’s prior attorney, who has recently withdrawn from this case.” The scheduled Thursday afternoon hearing on that motion “is no longer necessary” as well, Jones’ attorney **David Zerbe** told the **Ohio County Circuit Court**, and it was vacated.

□ Later on Thursday, a joint motion was filed by Jones’ attorney and the prosecutor tendering a conditional negotiated plea. Under its terms, Jones would agree to withdraw his former plea of not guilty and enter a plea of guilty to a Level 6 Felony count of Cheating at Gambling, I.C. § 4-33-10-2(4), and a Class A Misdemeanor count of Resisting Law Enforcement, I.C. § 35-44.1-3-1(a)(3), and the State would agree to dismiss the remaining counts of the charging information in this cause of action.

□ The NFL free agent would receive a sentence of 545 days, of which 531 days would be suspended for the Cheating at Gambling count, and a sentence of 365 days of which 351 days would be suspended for the Resisting Law Enforcement count, concurrently. Jones would receive credit for two actual days served; four days of good time credit. He would be reporting probation for 531 days, and have to periodically check in and keep officials informed of his whereabouts, be banned from possessing a firearm, and may not use alcohol or non-prescribed controlled substances. Jones would also waive extradition to Indiana and voluntarily return when required; surrender to serve 10 days in jail, and submit to DNA collection. He would also be subject to assorted court costs. Under the terms of the agreement, if Jones successfully completes probation without any probation violations, he has the right to petition the court to have the felony conviction reduced to a Class A misdemeanor, at the discretion of the judge.

● Writing at Seeking Alpha, **Vince Martin** isn’t sold on Indiana variables that might positively impact the value of **Full House Resorts, Inc.**, parent company of **Rising Star Casino • Resort**. He suggests that as structured now, **Rising Star** is largely cut out of the competition for a potential new **Terre Haute** casino. “For that to change, **Full House** will have to beat out the politically connected [Rod] Ratcliff - which seems unlikely to happen. Making matters worse, the Senate bill also allows for live dealers to come to two Indianapolis-area racinos ..., before 2021 – and it adds another competitor to **Full House**’s existing **Rising Star** property. That property already is hanging on by a thread. EBITDA in 2018 did rise almost 5%, thanks mostly to a strong Q4. But **Full House** also put some \$6 million into the property, including a new RV park, a ferry across the **Ohio River**, improvements to the entrance, and a new restaurant. EBITDA rose just \$128,000 year-over-year. Margins are under 6%. The ferry, launched in September, doesn’t appear to be moving the needle. Revenue declined in Q4. Indiana state figures show a 10% drop in casino win in January, followed by a flat February. It’s possible returns will improve as spring shows up and more potential users become aware of the ferry (which has uses beyond casino visitation). But those returns could be swamped if Indianapolis racinos take any market share; and margins at this point are so thin that **Full House** really can’t afford any further revenue declines.”

□ Martin adds that “Sports betting could be a help – but Ohio is moving toward legalization as well,” and “Rising Star simply seems boxed in. With Terre Haute unlikely, and more competitive pressure on the way, Full House might be out of options in that market. And it’s exceedingly difficult to assign any value to the property at this point.”

● Looking back over the last three annual reports filed with the Securities and Exchange Commission by Full House Resorts, Inc., parent company of Rising Star Casino • Resort, we learn a bit about the declining employment levels at Rising Star, which is short by more than 80 jobs (almost 15% in just the last two years):

| | FTE | P-T | TOTAL |
|--------------------|-----|-----|-------|
| 2019 (as of 03/01) | 387 | 123 | 510 |
| 2018 (as of 03/01) | 419 | 132 | 551 |
| 2017 (as of 03/17) | 431 | 161 | 592 |

● The new Form 10-K filed by Full House Resorts, Inc., parent company of Rising Star Casino • Resort, adds some details to what we told you earlier this month about the annual numbers for Rising Star. Full House explains that 2018 net revenues decreased “due to adverse weather conditions, most notably during the first quarter from approximately 21 days of heavy snowfall, as well as two days when the casino was closed due to the flooding of nearby access roads. This affected guest volumes, as reflected in a 3.6% decrease of slot coin-in during the year.” Absent an accounting change, “slot revenues decreased by 2.7% and table games revenues decreased by 10.3% due to lower volumes, while promotional allowances decreased by 7.9%. Non-gaming net revenues decreased by 2.0% during 2018, in part reflecting a temporary reduction in the number of available room-nights due to hotel improvements during the year. Average daily room rate remained flat.” While net revenues decreased compared to 2017, Adjusted Property EBITDA increased by \$100,000 (from \$2.7 million to \$2.8 million) “due to improved efficiencies driven by new management, a focus on cost controls, and savings from streamlining labor.”

□ The total investment in certain maintenance and “growth-related capital expenditure projects” at Rising Star during the 2018 calendar year was approximately \$4.9 million. This included improvements to the entry pavilion and the adjoining hotel’s lobby and hallways; new access roads to the ferry landing sites; and implementation of the 10-vehicle ferry boat service to Rabbit Hash, Kentucky.

February State Summary

Statewide win at the 13 Hoosier gaming properties added up to \$172.16 million in February, eclipsing the same month last year by 1.20% (\$2.04 million). Even so, this is the second weakest February win that state has seen over the past 15 years, and also constitutes the second-weakest win overall across the past 12 months. Despite a neutral calendar (both with four Fridays, Saturdays, and Sundays), this was the first time that we have seen consecutive months of February with win south of \$180 million since 2003-04 (when there was one fewer casino and no racinos, and a major weekend snowstorm in February 2003). No February has seen revenues of \$200 million or more since 2013, when the land-based casino opened in downtown Cincinnati.

On the positive side, win grew over the prior February for the first time since 2016. Eight properties enjoyed a more lucrative February this year than in 2018, with the largest percentage growth occurring at Majestic Star Casino II. Hoosier casino win rebounded by 8.37% (\$13.29 million) from the dismal January results (which came in at the second-lowest monthly level over the past 15 years), as 11 out of the 13 properties profited from an over-the-month improvement.

Year-to-date win has eroded vs. the first two months of 2018 by 2.27% (- \$7.69 million). Five casinos are up, while eight are down. Of the six properties with the most January-February revenue, Indiana Grand Racing & Casino is the only one running ahead of 2018’s pace. The state’s perennial leader, Horseshoe Casino Hammond, absorbed the largest year-to-date shortfall on both a percentage and real-dollar basis.

The Lake Michigan region posted revenues of \$72.14 million, up from last year by 1.49% (\$1.06 million), which looks pretty good given that the Illinois Chicagoland boats were down by 4.7% for the month. Three of the five northern tier boats showed improvement over the year, but the two that didn’t were the two largest casinos. The casino closest to the border, Horseshoe Casino Hammond, has not experienced over-the-year improvement in any February since 2012-2013 (when Illinois Video Gaming Terminals were legalized). Weather in Northern Indiana also balanced out over the year, with one week of snow in February 2018 and one week of cold and snow this year. The Southern Indiana region captured revenues of \$58.84 million, sinking marginally vs. one year ago by 0.55% (- \$326,207), a third consecutive February-to-February dip. The southern casinos accounted for only 34% of statewide win, the lowest share since March 2015. The five Lake boats outearned the six southern properties by \$13 million, the largest differential since April. Tropicana Casino endured its largest year-over-year decline since April 2008, surprising given that market foe Harrah’s Metropolis Casino in Illinois closed from February 18 until Tuesday morning, March 19, due to flooding, and remained closed The Central Indiana racino duo accounted for \$41.17 million in February win, hurdling the same month in 2018 by 3.30% (\$1.31 million) – the most fruitful February for the racinos since 2012. The pair accounted for 23.92% of statewide win, a new all-time high.

Illinois earned just \$97.56 million from its 10 casinos, sinking from February 2018 by some seven percent (- \$7 million). On the heels of its miserly \$94 million take in January, the Land of Lincoln has now endured back-to-back months under \$100 million for the first time this century. The 6,842 Video Gaming Terminals in 31,110 establishments generated \$129.07 million (on coin-in of \$1.58 billion, about \$50 million more than we saw in Indiana) during February, resulting in a total Illinois largesse of \$226.63 million. Ohio reeled in \$70 million from its four casinos, outperforming February 2018 by \$2 million (3.5%). JACK Cincinnati Casino, the Cincinnati market leader, saw revenue grow at both its slots and tables over the year, up by \$800,000 (4.7%) overall to \$17.8 million. The Ohio racinos produced an additional \$85 million, surpassing last year’s take by \$5.5 million (6.9%). Every one of Ohio’s four casinos and 11 racinos posted higher numbers in February 2019 than 2018 – even as Belterra Park near Cincinnati was closed for almost half of the month due to flooding. Overall, the Buckeye State accumulated \$155 million in gaming revenue (up by 5.4%), marking the sixth month out of the past seven that our eastern border competitor has narrowed the gap to Indiana’s statewide casino win.

Indiana casinos tallied total February slot win of \$147.54 million, a year-over-year boost of 2.62% (\$3.76 million). This becomes the first February-to-February growth in the slot category the state has enjoyed since 2016, but this is tempered by the realization that it is also the second-weakest February slot take over the past 15 years, dating back to the days before the two racinos and the Orange Country casino. Slot win soared from January by 11.09% (\$14.73 million); every property save Horseshoe Casino Southern Indiana (which was closed for four days due to flooding) saw its slot win increase over January. Players risked \$1.53 billion at the slots, or about 1.5% less than they did in February 2018. February slot play has not been this paltry since 1999, when there were two fewer casinos and no racinos. At Horseshoe Casino Southern Indiana, coin-in slumped to its lowest level in any month this century, due both to the closure and the new competition from historical horse racing machines at Derby City Gaming in Louisville. The statewide slot payback percentage averaged out to an all-time February zenith of 90.37 percent. Rising Star Casino • Resort is home to the state's loosest slot machines for the third consecutive month. Slots comprised 85.70% of overall statewide win – an 18-month acme that seems counterintuitive given the market situation in Indiana: (1) the lack of table games at Four Winds Casino South Bend; (2) growing slot competition from Illinois VGTs; (3) slot competition for HCSI from Derby City Gaming. One would think that these circumstances would cause an increase in the table game percentage of overall win, but that could be mitigated in February because of lower table holds that appear to be just a result of the law of averages working out in favor of players in general, and not any VIP or VVIP player wins.

Statewide win per slot per day averaged \$291 – the strongest showing since April 2018. Every casino improved in this category vs. January except Horseshoe Casino Southern Indiana, which had its weather closure issues. Could the barrage of “Vegas appeal; Indy feel” television spots be paying off for Caesars Entertainment Corporation? Harrah's Hoosier Park Racing & Casino shined with a new property record best of \$392 in daily win per slot machine. Indiana Grand Racing & Casino paced the state with daily win of \$417 per slot machine, the best performance by any property since March 2018. There were 18,093 electronic gaming devices in play across all properties on the last day of the month, a reduction of 695 machines compared to February 2018. This marks the fourth consecutive month in which the slot inventory has shrunk on a prior-year basis by more than 600 units . . . and may help explain the improvement in win per slot per day. The two racinos have ranked first and second statewide in win per slot per day for four consecutive months. Hoosier casinos averaged daily win of \$1,297 per table – a new state record low for the month of February – on a statewide inventory of 678 table games, an eight-month apex.

Indiana casinos were only able to cobble together February table revenues of \$24.62 million, deteriorating from the prior year by 6.52% (- \$1.72 million). This serves as the fourth consecutive year-over-year monthly decline, the longest such negative stretch the state has experienced since the second half of 2016. Table win has not been this low in any month since September 2016. Moreover, this is now the weakest statewide table win for any February since 1997 when there were just six casinos in operation. Six out of the 11 properties with live dealers collected more in table win in February than they did in February 2018. Players ponied up \$120.93 million at the tables, with table drop up from last year by 2.33% (\$2.76 million). Eight properties saw more table activity in terms of

monthly drop than they did in February 2018. The table hold percentage of 20.36% marks a five-month low and the second-lowest over the past 18 months. This appears to be just a factor of normal players largely playing lucky, with no particular casino or any particular game at any property showing particularly aberrational numbers. In particular, the table hold rate at Horseshoe Casino Hammond came in south of 20% for the first time since July 2017 and first February since 2011.

Caesars Entertainment Corporation counted up \$86 million from its four Hoosier properties, good for 49.80% of all statewide casino win. This figure is down from its majority share in January and the amount posted in four of the last five months). The Horseshoe-branded boats have not both reported year-over-year growth in the same month since December 2017. Penn National Gaming, Inc. earned \$31 million from its Hoosier duo, worth 18.23% of the state market. Two of the three Hoosier boats that have seen over-the-year win decline in each of the first two months of 2019 are Penn National boats. Boyd Gaming Corporation collected \$19 million from its Hoosier property pair, equivalent to an 11% state market share. Combined, win for the two Boyd boats ascended over February 2018 levels by just under \$1 million. Majestic Star Casino added up just under \$13 million from the sister vessels at Buffington Harbor, which translated into a 7.35% state market share, the best showing for the corporate parent since June 2016 (this was the first time that both MSC boats had improved in February revenue since 2015-16 – and only the second time over the past 39 months that both MSC boats enjoyed an over-the-year gain).

Hoosier Lottery

- The \$625 million Powerball jackpot that was available for the Saturday, March 23 draw ranked as the seventh-largest jackpot ever up for grabs domestically (and fourth-largest ever for Powerball). The lump-sum cash payout value of \$380.6 million was the eighth-highest in U.S. history (sixth for Powerball). The big bucks were the result of a string of 24 successive draws without a winner that started with a \$40 million prize on December 29, 2018.

- The high Powerball jackpot was also expected to juice up sales for the Hoosier Lotto game, which has also been advancing to Indiana-impressive levels without as much notoriety.

- The Hoosier Lotto jackpot for Saturday, March 23, grew to \$32.3 million, a \$400,000 jump over the previous jackpot, growth that followed the smallest increment of any of the first six March drawings for March 20. That \$300,000 boost followed two successive \$400,000 jumps and a \$500,000 infusion for the March 9 draw, the second \$500,000 addition during March (after the state had not seen that high a jackpot improvement since the November 7 drawing). The March 6-16 run of jackpot infusions constituted the four largest consecutive additions to the jackpot pool since the quartet of draws that spanned October 31 through November 10. The draw on Wednesday, March 6 had marked the first time in more than seven years (since February 18, 2012) that the Hoosier Lotto jackpot topped \$30 million, a key psychological number for casual players.

□ The Hoosier Lotto jackpot for March 23 ranked as the third highest offered in any jurisdiction in the world behind only Powerball and Mega Millions. The jackpot was last hit on October 14, 2017, at \$25.5 million, which at the time was the largest jackpot up for grabs since the matrix was revised in May 2014. The March 13 drawing represents the 21st consecutive draw above that previous record level. This is also the largest jackpot available in more than seven years, since the \$34.50 million jackpot hit on February 18, 2012 (a similar-sized jackpot was also won October 30, 2010).

□ The current jackpot also still significantly lags the top two jackpots on record, \$54.5 million (won more than 10 years ago, on November 7, 2007) and \$42 million (won on June 5, 1999). The current jackpot has been growing since February 10, 2018, so it has now gone unclaimed for more than a full year, and has become the third-largest on record dating back at least 17 years.

Recent Hoosier Lotto Jackpot History

| Draw Day | Date | Jackpot Amount | Change |
|----------|----------|----------------|-----------|
| SAT | 03/23/19 | \$32.3 Million | \$400,000 |
| WED | 03/20/19 | \$31.9 Million | \$300,000 |
| SAT | 03/16/19 | \$31.6 Million | \$400,000 |
| WED | 03/13/19 | \$31.2 Million | \$400,000 |
| SAT | 03/09/19 | \$30.8 Million | \$500,000 |
| WED | 03/06/19 | \$30.3 Million | \$400,000 |
| SAT | 03/02/19 | \$29.9 Million | \$500,000 |
| WED | 02/27/19 | \$29.4 Million | \$300,000 |
| SAT | 02/23/19 | \$29.1 Million | \$300,000 |
| WED | 02/20/19 | \$28.8 Million | \$200,000 |
| SAT | 02/16/19 | \$28.6 Million | \$300,000 |
| WED | 02/13/19 | \$28.3 Million | \$200,000 |
| SAT | 02/09/19 | \$28.1 Million | \$300,000 |
| WED | 02/06/19 | \$27.8 Million | \$200,000 |
| SAT | 02/02/19 | \$27.6 Million | \$300,000 |
| WED | 01/30/19 | \$27.3 Million | \$200,000 |
| SAT | 01/26/19 | \$27.1 Million | \$300,000 |
| WED | 01/23/19 | \$26.8 Million | \$200,000 |
| SAT | 01/19/19 | \$26.6 Million | \$400,000 |
| WED | 01/16/19 | \$26.2 Million | \$200,000 |
| SAT | 01/12/19 | \$26.0 Million | \$300,000 |
| WED | 01/09/19 | \$25.7 Million | \$200,000 |
| SAT | 01/05/19 | \$25.5 Million | \$300,000 |
| WED | 01/02/19 | \$25.2 Million | \$200,000 |
| SAT | 12/29/18 | \$25.0 Million | \$300,000 |
| WED | 12/26/18 | \$24.7 Million | \$200,000 |
| SAT | 12/22/18 | \$24.5 Million | \$300,000 |
| WED | 12/19/18 | \$24.2 Million | \$200,000 |
| SAT | 12/15/18 | \$24.0 Million | \$300,000 |
| WED | 12/12/18 | \$23.7 Million | \$200,000 |
| SAT | 12/08/18 | \$23.5 Million | \$400,000 |
| WED | 12/05/18 | \$23.1 Million | \$200,000 |
| SAT | 12/01/18 | \$22.9 Million | \$400,000 |
| WED | 11/28/18 | \$22.5 Million | \$200,000 |
| SAT | 11/24/18 | \$22.3 Million | \$300,000 |
| WED | 11/21/18 | \$22.0 Million | \$200,000 |
| SAT | 11/17/18 | \$21.8 Million | \$300,000 |
| WED | 11/14/18 | \$21.5 Million | \$300,000 |
| SAT | 11/10/18 | \$21.3 Million | \$400,000 |
| WED | 11/07/18 | \$20.9 Million | \$500,000 |
| SAT | 11/03/18 | \$20.4 Million | \$600,000 |
| WED | 10/31/18 | \$19.8 Million | \$500,000 |

□ The Hoosier Lotto jackpot reigned as the nation's fourth-largest domestic jackpot from the \$24.2 million December 19 draw until January 2, trailing the two multistate draw games and California's SuperLotto Plus . . . but after the California jackpot was hit, the Hoosier Lotto jackpot was third domestically, and the top non-multistate game (by a \$14.1 million margin) since January 24.

● Silver Express in Indianapolis maintains the lottery sales lead for a sixth consecutive month, and continues its remarkable run of not having been lower than first or second statewide since a third-place finish back in November 2015.

□ Troy Foods Inc. in Indianapolis, which had placed first or second in each month since it transitioned from Buck's Market ownership in the mid-July 2018 buyout (and it had largely been on the podium with Silver Express for years before the change), drops to third place in February. Silver Express had held the top spot statewide during a strong run from December 2015 through October 2017 and again from January through April. Troy had jumped from 10th to first in August following the July ownership flip. The Troy Foods predecessor, Buck's, had finished second in February 2018.

Top 10 Hoosier Lottery Retailers - February 2019 Sales Rank

| Feb. | Jan | Dec | Nov | Oct | Sept. | Aug |
|--------------------------------------------|-----|-----|-----|-----|-------|-----|
| 19 18 | | | | | | |
| 1 (1) Silver Express - Indianapolis | 1 | 1 | 1 | 1 | 1 | 2 |
| 2 (6) Grand Food Junction - Fort Wayne | 3 | 4 | 5 | 10 | 8 | 8 |
| 3 (-) Troy Foods Inc. - Indianapolis | 2 | 2 | 2 | 2 | 2 | 1 |
| 4 (8) MCR Short Stop - Portage | 6 | 8 | 4 | 6 | 3 | 5 |
| 5 (4) K & D Marathon - Hammond | 5 | 5 | 3 | 3 | 4 | 7 |
| 6 (10) Phillip's 66 - Indianapolis | 4 | 6 | 6 | 9 | 7 | 6 |
| 7 (5) Lucky's Mart LLC - Speedway | 7 | 3 | 7 | 8 | 5 | 3 |
| 8 (3) Plainfield Dairyland - Plainfield | 9 | 7 | 9 | 5 | 6 | 4 |
| 9 (7) The Hen - Terre Haute | — | — | — | 4 | 9 | 9 |
| 10 (-) Southside Marathon - Fort Wayne | — | 10 | 8 | — | 10 | — |

□ Grand Food Junction in Fort Wayne, ends February in second place statewide, its highest showing since we began tracking retailers in 2013, and the first time a Fort Wayne retailer has ranked so high (the Grand Food Junction third-place January rank had tied the highest for that outlet and the Summit City before February's advance). Grand Food Junction had seemed unable to find much traction for many months, mired among the bottom three for several months, but it jumped all the way up from 10th in October (after five consecutive months in eighth place) to fifth place in November, its best performance since April 2018, and improved on that in December with a fourth, stepping up a rung to third place in January - what had been the strongest

performance for this outlet since a third place showing back in April 2017 – before climbing into the second spot in February. Indianapolis retailers had placed first and second on the list since Plainfield Dairyland spoiled the Circle City party in July 2018. Before that, the last time Indianapolis failed to post a win-place showing was back in December 2017.

□ The Hen in Crown Point climbs back on the list after disappearing for three months, The Hen ended October in fourth place, its highest spot on the Hoosier hierarchy since a fifth-place finish in August 2017 (and apparently its best-ever showing) but it dropped off the leader ladder entirely in November, the first time that this outlet had been absent from the top 10 in the second half of 2018, and stayed off the top 10 list in December and again in January. Plainfield Dairyland in Hendricks County, which started the fiscal year with a second-place July finish, dipped to a disappointing ninth statewide starting 2019, and only moved up one notch in February.

□ Maui Stop & Shop in Terre Haute made its first appearance on the list in December since it popped up there in February-March 2018, and remained on the leader ladder for a second straight month, moving up one notch to eighth statewide in January, but it slipped out of the top 10 in February. Also leaving the list was the Bluff Road Shell in Greenwood, which had been on and off the list in the second half of 2018. Southside Marathon LLC of Fort Wayne slipped to 10th place in December after being on the eighth rung in November, and exited the top 10 entirely in January after having registered its first-ever consecutive-month appearances, but it was back on in the last spot during February.

□ Only six different counties are represented among the top 10 retailers, down from seven in January, with four continuing to be found in Marion County. Allen County returns to the multiple outlet list after dropping off in January. After the top three December retailers hailed from Marion County – a phenomenon we had not seen since August – that slipped to the top two spots in January, and first and third in February.

□ Here's your deeper dive into the historical February retailer rubric:

| # 2019 | 2018 | 2017 |
|-----------------------|----------------------|---------------------|
| 1 Silver Express | Silver Express | Silver Express |
| 2 Grand Food Junction | Buck's Market | Buck's Market |
| 3 Troy Foods Inc. | Plainfield Dairyland | K & D Marathon |
| 4 MCR Short Stop | K & D Marathon | Grand Food Junction |
| 5 K & D Marathon | Lucky's Mart LLC | Lightning Food Mart |
| # 2016 | 2015 | 2014 |
| 1 Silver Express | Buck's Market | Buck's Market |
| 2 Buck's Market | Silver Express | Silver Express |
| 3 K & D Marathon | Friendly Market | K & D Marathon |
| 4 Lucky's Mart LLC | K & D Marathon | Lucky Stop |
| 5 Grand Food Junction | Grand Food Junction | Lightning Food Mart |
| # 2013 | 2012 | 2011 |
| 1 K & D Marathon | K & D Marathon | Lightning Food Mart |
| 2 Safeway Foods #14 | Lightning Food Mart | K & D Marathon |
| 3 Lightning Food Mart | Lucky Stop | Buck's Market |
| 4 Buck's Market | Silver Express | Meijer # 124 |
| 5 Silver Express | Jerry's Burger Dairy | Dinner Bell Markets |

IN Horse Racing & Racinos

● The Indiana Gaming Commission approves Thomas Thanas as trustee in waiting for both Harrah's Hoosier Park Racing & Casino and Indiana Grand Racing & Casino. Thanas, an Illinois attorney who served as regional counsel for Harrah's Entertainment where he handled regulatory matters for the company's Midwest casinos, a Notre Dame alum with a law degree from Valparaiso University.

● Indiana Grand Racing & Casino releases details of its 2019 120-day racing season that runs from Tuesday, April 16 through Wednesday, November 6, with total stakes purses topping the \$4.3 million mark. The 25th running of the Grade III \$500,000-guaranteed Indiana Derby highlights the 35 stakes to be offered during the 2019 season. A total of \$4.3 million in stakes will be available during the 2019 meet, the 17th year of racing at Indiana Grand.

□ The 25th running of the Indiana Derby, Indiana's richest horse race, is slated for Saturday, July 13 and will be accompanied by five other stakes races, including the Grade III \$200,000-guaranteed Indiana Oaks, which is in its 24th running. In all, purses for Derby evening will top \$1.1 million. The state's richest turf race, the 14th running of the \$200,000 Caesars Stakes, a Listed event, is set for Wednesday, September 4. That event will be joined by the \$200,000 Indiana Grand Stakes on the turf, also a Listed event, boosting purses over the \$500,000 mark for the day. In all, more than \$1.1 million in turf stakes will be offered in 2019 with nine of the races set for the seven-eighths mile Rod Ratcliff Turf Course at Indiana Grand.

□ Racing will be conducted Tuesday, Wednesday, and Friday at 2:15 p.m., with Saturday's first post set for 6:15 p.m. Indiana Grand had represented to the Indiana Horse Racing Commission earlier this year that it had intended to run at 2:05 p.m. on weekdays and 6:05 p.m. on Saturdays, but made the change with Commission consent after considering their space "in the very competitive simulcast landscape," with the Thoroughbred and Quarter Horse associations signing off on the change.

□ A majority of the stakes races will be held on Wednesday afternoons. Two Thursday racing programs have also been added to the schedule, with Thursday, July 18 playing host to the \$100,000 Ta Wee Stakes, an open three-year-old filly stakes race on the turf. Racing is also on for Thursday, September 5.

● The track maintenance crew at Indiana Grand Racing & Casino has been working all Winter long on a \$700,000-plus track renovation project for the one-mile dirt course, but Jon Schuster, the veteran director of racing at Indiana Grand, sent a missive to key horsemen's groups in mid-February updating the track renovation, and served up some disappointing news: Since the track surface was packed tight in December and left to settle and the materials to knit, the abundant rain and intermittent freezing temperatures rendered the vendor that mills the race track cushion material unable to undertake any of the activity to get the cushion material manufactured. This knocked the March 11 date to have the track ready for training as "wholly unrealistic."

□ While this did not stop horsemen from beginning to move in on March 9, they were left without a track on which to train, and urged to "make alternate plans."

● The Senate Committee on Public Policy took about 10 minutes on March 13 to learn about the provisions of HB 1196, legislation authored by Rep. Bob Cherry (R) of Greenfield, before sending it to the Senate floor on a 9-0 vote after a technical amendment was added by consent. Rep. Cherry was carrying the bill on behalf of the Indiana Horse Racing Commission. The Commission's new in-house legal counsel, Noah Jackson, ran through the bill for lawmakers, explaining that it was "more technical in nature" than being truly substantive. The proposal would require IHRC to adopt confidentiality rules related to personal information; allow discretion when an individual tests positive for a prohibited substance; permit the Commission to lift a suspension after only partial purse repayments by a violator; change security bond requirements; and includes new language to reflect the Commission's organizational structure and job titles. The bill would also change the section on testing "blood, hair, and urine" to testing of a "biological sample" because current language poses a limitation to state-of-the-art technology. Finally, HB 1196 would establish an integrity fund to help fund costs of testing biological samples, because under certain circumstances IHRC is required to reimburse licensees for these tests.

□ The amendment taken by consent strikes the definition of a claiming race so that claiming races will continue to be exempt from sales taxes; changes conflict of interest rules for veterinarians to allow them to treat other breeds; and eliminates language on the panels themselves appointing chairs for each breed development committee, because that conflicted with current law affording that power to the governor.

□ Sen. Phil Boots (R) of Crawfordsville asked questions about biological samples - "What about fecal matter? Is that one of the testing things?" - and was told by Jackson that excrement could be tested along with hair and urine, and the language will be able to change with changing technology employed by laboratories. The testing litany includes "anything that comes off a horse," as phrased by Sen. Boots. Sen. Lonnie Randolph (D) of East Chicago had questions about the bond requirements that centered on his confusion over what constitutes a "meeting" for horse racing purposes. Rep. Cherry managed to bring the discussion around to the need for the change from a bond "to other types of financial capabilities" because the bond is expensive when based upon the overall receipts of a racino, and was largely overkill. IHRC Executive Director Mike Smith also spoke to this, noting that in practice, it has been "several years since a bond was posted, and suggested that it was "easier to give us the flexibility" of looking at assorted alternatives. That led to a quick discussion of insolvency contingencies.

□ HB 1197 made it through Second Reading unamended in the Senate on Monday. With only a quick explanation by Sen. Alting, who emphasized that this was an agency bill that came through the Governor's Office, the measure passed 46-2 without debate. The two nay votes were from Sens. Rick Niemeyer (R) of Lowell and Jack Sandlin (R) of Indianapolis. Sen. Sandlin's district is home to the Winner's Circle Pub, Grille & OTB.

● At its March 12 regular meeting, the Indiana Horse Racing Commission voted unanimously to prohibit the use of albuterol in American Quarter Horses. The ban will be place in time for the 2019 race meet at Indiana Grand Racing & Casino.

□ Albuterol will be a "level of detection" drug, meaning any detected amount of albuterol in the horse will be considered a violation. If a violation (pre- or post-race) is found, the owners or lessees of the horse in question will have to forfeit any purse money and any trophy or award. If winnings are associated with a qualifying race, a positive test renders the horse ineligible for any subsequent related race.

□ Earlier in the year the Commission asked horsemen to voice their opinions on the possible rule change. The Quarter Horse Racing Association of Indiana board expressed its support of the rule change, as did some owners.

IN Bingo and Charitable Gaming

● HB 1517, the rewrite of the state's charity gaming statute, passed the Senate Committee on Public Policy March 13 on a unanimous vote after about 35 minutes of discussion.

□ Rep. Ben Smaltz (R) of Auburn, the chair of the House Committee on Public Policy, presented the measure, explaining that he had worked in "partnership" with the Indiana Gaming Commission and stakeholders with the goal of simplifying the statute, promoting a simpler licensing scheme, and clarifying some continuing concerns of operators. As drafted, he believes that HB 1517 would allow for some operators to conduct charity gaming activity who haven't been allowed to do so in the past, and eliminate some burdensome regulations. For the "30,000-foot view," he turned the microphone to IGC Executive Director Sara Gonso Tait and General Counsel Greg Small. Tait explained that the current law was replete with redundancies, "is confusing," and "one of the most difficult things for a regulator is to have a confusing statute." Charity gaming issues generated the most calls to Commission staff of any form of gaming. After "significant outreach" to the charitable gaming community, drafters were able to slash 27% of the original statute. "It is an agency bill," she confirmed, and it was "pretty darn close" to being fiscally neutral. The measure would help charities be more successful, but also ensure that there remained significant regulatory tools to help address bad actors and those who might be "diverting charitable funds from these organizations."

□ Sen. Greg Taylor (D) of Indianapolis expressed concern with pull tabs, punch boards, and tip boards (PPTs) and a "lack of regulation." "The annual licenses you do a great job with," he told Tait, but he understood that "more than half" of charity gaming revenues are not going to charity, "and it's been confirmed by what I've been reviewing. these are some disturbing numbers for me." He cited the \$561,000 amount to charity vs. a \$20 million gross, adding, that "really disturbs me." Tait explained the one or two percent sent to charitable organizations represented proceeds sent to charities outside the organization conducting the gaming, and conceded that "We should do a better job of presenting" the data, because it could be "deceiving." A large amount may be retained by the organization conducting the gaming activity for charitable purposes, and in many cases "they rely on this money to keep their doors open." Expenditure examples might also include buying a van to take veterans to their doctors' appointments. She said numbers in the Commission's annual report could be misleading, because "it doesn't show how much [they] are keeping for their own good." "As long as the money's going to charity, I don't have a problem," said a satisfied Sen. Taylor.

□ Sen. Lonnie Randolph (D) of East Chicago, the senator with the longest and deepest interest in charity gaming, asked questions about how 15-20 license types had been “streamlined down” to four. Tait told him that it was done by cutting license types. The bill “eliminated a number of licenses, but we didn’t eliminate any activities.” He also had Tait explain how the new annual affiliate license would work. She told him that the measure didn’t change anything except for the name. The annual comprehensive license would allow affiliates to use the parent license. The affiliate can “piggyback” on to the national license or vice versa. He also pressed her on bona fide veterans organizations. The limitation of \$2,500 for an exempt events, Tait explained to him, referred to situations in which the prize payout is below \$2,500 in net worth., Tait told him that those are matters “that don’t really have a high regulatory concern,” and they are content simply to have notice, with no license required.

□ IGC’s Tait also reviewed the requirements for “good standing” in the eyes of the Indiana Election Commission for political organizations with Sen. Randolph, and also worked through with him the concept that felony convictions could circumvent the felony prohibition at the Commission’s discretion – and “obviously on a case-by-case basis” – with appropriate written documentation, letters of support from organization, an explanation of relevant circumstances, and the like.

□ Sen. Phil Boots (R) of Crawfordsville asked “what constitutes a significant inducement to participate?” – and who defines what this is. Tait responded that the Commission seeks to educate operators on the front end, and “organizations come to us,” although “not a lot of questions” have been asked in the past. This has “Not been an issue that’s been addressed previously,” Tait added.

□ Charitable gaming czar Diane Freeman, who has been overseeing regulation of the activity since it was first authorized under the aegis of the Department of Revenue, explained the breakdown of expenses (payouts and cost of supplies, pull tabs, cards, advertisements, rental costs, and license fees), “profits,” and retention of revenues. At the request of Chair Ron Alting (R) of Lafayette – who wanted to keep things moving – Sen. Taylor agreed to a side bar later with Freeman to get briefed in detail about how things worked.

□ “Organizations use part of net proceeds to support their own lawful purposes,” Freeman explained, while the percentage distributed to charity is the amount given away to other outside charities. “I guess I didn’t think about payouts,” acknowledged Sen. Taylor. “Somebody’s got to win, huh?”

□ Sen. Randolph inquired about how suppliers are selected. He seemed concerned that approval was handled by just one person. Tait assured Sen. Randolph that “we handle” the application and licensure process “through our office.” When Randolph pressed about “who does the selection – who’s ‘we’?”, Tait told him it was “multiple people” – the Charity Gaming Division staff.

□ Sen. Alting was the last senator to speak. He noted that he and Sen. Randolph had concerns about veterans organizations “shrinking.” He said that this measure addressed the matter of “How can we increase that?”

□ The chair of the panel that had reviewed the bill also wanted to look at structuring things to be able to pay employees without opening it to “professional companies that will take more of the money that would have gone to charities,” and confirmed that “It’s not easy.” “We just haven’t mastered yet how to do it,” Sen. Alting said, “but we’ll get there some day.” He believed that the bill met the stated goal: “Make charitable gaming easier and simpler,” and allow these organizations to do good in their respective communities. He added that the bill decreased requirements for full-time employee participation from 90 days to just to 30 days, and operator membership requirements from one year to 60 days . . . even though they were not addressing remuneration.

□ In brief public testimony, representatives of the Disabled American Veterans and Veterans of Foreign Wars supported the changes. DAV noted that there wouldn’t be veterans homes and homes for children without charitable gaming activity, and VFW thanked Tait for having “done a lot for charity gaming just in the last few months,” and that it has “done a lot of good for us already.”

□ The day before the hearing, Sen. Erin Houchin (R) of Salem was added as second sponsor. On Monday, the bill cleared Second Reading in the Senate unamended, and two more senators, Sen. Randolph and Sen. Jon Ford (R) of Terre Haute, were added as cosponsors. On Tuesday, Sen. Jean Leising (R) of Oldenburg, the Mother of Charity Gaming, also signed on as a cosponsor. Sen. Alting presented the bill on Third Reading on Tuesday afternoon, explaining that it was a “user-friendly” agency bill that had remained unamended throughout the process, and saw only two votes against it in the House. Sen. Randolph rose to express his support for it because of what it did for “the American Legions.”

□ The bill passed 41-7, with nay votes from Sens. John Crane (R) of Avon, Travis Holdman (R) of Berne, Eric Koch (R) of Bedford, Dennis Kruse (R) of Auburn, Jim Tomes (R) of Wadesville, Greg Walker (R) of Columbus, and Mike Young (R) of Indianapolis.

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INDIANA LEGISLATIVE INSIGHT

Big shift means locals need cash

SPEA study lays out sustainability concerns in next economic downturn

The disruptions caused by a structural shift in Indiana local government finances that began in 2004, exacerbated by the fiscal crisis and recession of 2008-09, means that local governments across the state are taking in less revenue than they did before 2007.

A Fiscal History of Indiana Local Government, a new research report for the Indiana Fiscal Policy Institute authored by professors Craig Johnson and Justin Ross, public finance experts at the Indiana University O'Neill School of Public & Environmental Affairs in Bloomington, details the shift, which ended an era of some three decades of "remarkable consistency" in local governmental unit fiscal structure in the early 2000s.

Since then, we have experienced "a fundamental transformation" of Indiana's intergovernmental fiscal system.

The SPEA researchers find that the structural shift in "real own-source local government revenue" began in 2004, and local income tax revenues took off and did not stop increasing until 2010, when they were adversely impacted by the recession. Property tax revenues had exhibited "unprecedented growth from 2004-05, but have since showed a dramatic total decline," consistent with the constitutional property tax caps.

"Every other state has largely rebounded from the Great Recession in terms of their local government," Prof. Ross tells Brock Turner of Indiana Public Media. "Indiana has not because of the property tax caps."

These changes in the fiscal input mix – the growth of the local income tax, subject to its "inherent volatility, coupled with the decline and increasing instability of the property tax from both economic and policy factors, have resulted in a less stable revenue structure for local governments."

They believe that "On the revenue side much of the recent changes are fully consistent with the foundation laid by the Bowen tax package in 1973 – property tax relief; an expansion of local government authority to generate revenue from local income taxes; and an increase in the state sales tax to fund local services, programs and provide additional property tax relief."

Unfortunately, they find that "Indiana local income tax and property tax revenues have yet to recover from steep declines following the Great Recession. Both taxes have declined sharply since 2010. In 2015 real property taxes in Indiana are back to where they were in 1996-97, while real 2015 income tax revenues have returned to their 2007 level."

The real-life impact? "Given the real decrease in local income and property tax revenue, local public expenditures in Indiana are now being funded from a substantially smaller pie of local own-source revenues."

Johnson and Ross see a total dichotomy in evaluating the past four decades, suggesting that "The last 40 years of local government expenditures should be viewed as 'before and after 2009.' Since 2009, Indiana has undertaken an exceptional decline in local public expenditures."

For more, please see the following page . . .

Supremes to face Hill

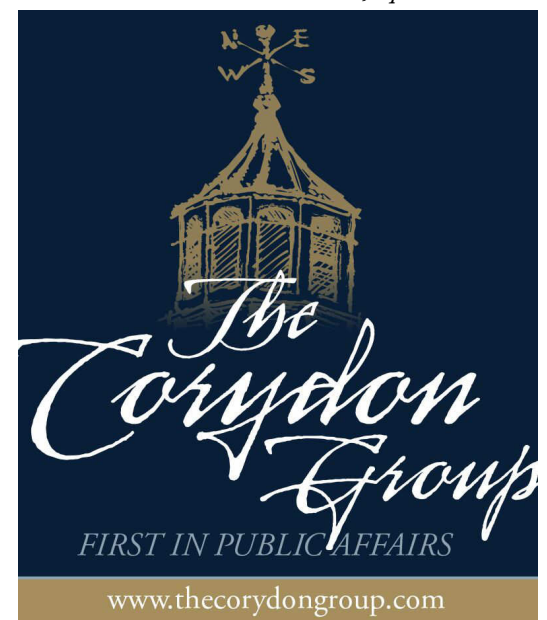
Disciplinary Commission seeks sanctions

The Indiana Supreme Court Disciplinary Commission files a formal 10-page complaint against Attorney General Curtis Hill (R), No. 19S-DI-00156, with the Indiana Supreme Court.

The nine member Disciplinary Commission – which includes among its members some well-respected establishment Republicans – reviews *sine die* party events, and reports for the General Assembly and by the Office of the Inspector General, and special prosecutor, and concludes Hill "committed criminal acts, each of which reflects adversely on his honesty, trustworthiness or fitness as a lawyer" in violation of the *Rules of Professional Conduct for Attorneys*, and engaged in "conduct prejudicial to the administration of justice" as well as "offensive personality" in violation of the *Rules*.

Aggravating factors include his position of trust and "heightened duty of ethical conduct"; "substantial experience" in practice; denial of responsibility; lack of remorse; implying the victims falsified their accounts; "actual or potential injury to his victims and their future careers by forcing them to choose between reporting his conduct or remaining silent"; and having "acted with the selfish motive to arouse his sexual desires."

Cont. under "IN State Circles," p. 4 . . .



The SPEA research team notes that for four consecutive years Indiana's local governments cut back their collective expenditures – in real terms – by an average of more than 3.5% each year. The SPEA team attributes a significant chunk of the decrease in Indiana county expenditures to the change in welfare administration functions in HEA 1001-2008.

Johnson and Ross also point out that the increase in the state sales tax rate rose from 2.0% in 1973 to the current 7.0% rate to allow the state to assume certain local general government and school corporation funding responsibilities – and to provide property tax relief.

They also believe that “A portion of the reduction in local public expenditures from 2007-2012 likely comes from local government consolidation ... where on net 520 independent local governmental units have been shed. Other reductions in spending are related to the trend in Indiana local government employment, the duo writes. “The number of local government employees in Indiana reached its peak in 2008, slightly declined in 2009 and substantively declined through 2012. Nationwide local government employment has begun to rebound while remaining basically flat within Indiana. About 70 percent of the net employment losses in Indiana local government employment have come from education services.”

The researchers conclude that “Indiana's local fiscal structure has demonstrated sustainability partially because the loss of own source revenues has been made up by increases in state revenues, but mostly because of the substantial reduction in local public expenditures.”

While the income declines have been well-documented, there has been far less attention paid since the revolution on the changes on the spending side.

Your key takeaway: “[T]he threat to fiscal sustainability under the property tax cap system is clear even if the mechanisms are convoluted. The purpose of a budget process should be to ensure that appropriated monies have an accompanying financial source. Typically, if revenues are to decrease by a dollar, then the budget process should assist in identifying a one-dollar reduction on the expenditure side. Alternatively, for a newly planned dollar of expenditure, the budget process should identify the funding source of that dollar. So long as a substantive portion of taxpayers have properties that are in excess of the 1-2-3 property tax caps, the budget will always have a shortfall that will require reworking after it is adopted and ‘finalized.’”

Johnson and Ross serve up their antidote . . . and we don't think lawmakers and state officials will be too happy with the big ask.

“We find that the sustainability of local government finances in Indiana should be strengthened in preparation for the next economic downturn. The revenue system is now more vulnerable to the economic cycle, both in terms of lower levels of local, own-source revenues, and is significantly exposed to an elastic state government tax base heavily dependent on sales and income tax revenue. Cutting and transferring local public expenditures has enabled Indiana local governments to keep pace with declining own-source revenues. But it leaves local governments vulnerable to the inevitable revenue losses during the next economic downturn.”

They conclude, “While the authority to levy an excise surtax for transportation funding is helpful, it does not provide the local own-source revenues needed to fulfill the general funding gaps inherent in the structural deficits of Indiana's local governments.”

IN Politics

State Office Races . . .

- With Tuesday's Senate passage of HB 1005, when it is signed by the Governor, the Superintendent of Public Instruction will no longer be an elective position as has been the case since 1852. The last of the elected superintendents, Dr. Jennifer McCormick (R), said after the Senate approved the bill on a 29-19 vote, “The 2020 gubernatorial race will deserve greater attention as our students' futures are dependent upon it. Education impacts all of us. Our children, educators, and school communities deserve a strong, representative voice.”

IN the Presidential Race . . .

- New Morning Consult polling numbers show that since the new administration assumed office in January 2017, the President's net approval in Indiana has decreased by 18 percentage points. The February 1, 2019 net presidential approval stands at +4 percentage points, at 50% to 46%, the same as on January 1, and effectively unchanged from 49% to 46% one year earlier.

- Don't underestimate the extent and importance of a Rhodes Scholar network that has quickly popped up domestically and internationally to support South Bend Mayor Pete Buttigieg (D) in his quest for the Democratic presidential nomination. These current and former Rhodes Scholars are coming together to raise money and work on policy issues for, and spread the word in important circles about, Mayor Pete.

- Populist Pete? Back in the day (2010) when a 28-year-old guy named Pete Buttigieg (D) was running for state treasurer, no one knew how to pronounce his name (some south of U.S. 50 even pronounced “Pete” as if it had two syllables), and few media outlets even bothered to cover his quixotic challenge to the re-election of then-state treasurer Richard Mourdock (R). Those that did focused largely on Buttigieg's strong objections to Mourdock's actions in the Chrysler bankruptcy – using teacher and state police pension funds to purchase e(old) Chrysler bonds in 2008 after they were downgraded to junk status and his objections to the Chrysler bankruptcy, which put Mourdock at odds with the Bush and Obama administrations and the Indiana Republican establishment.

□ But almost a decade ago, your favorite newsletter was one of the few outlets to cover the state treasurer race in some detail, and looking back at our 2010 race coverage, we noticed a populist streak of sorts from Team Pete. He said that his campaign – which ended up raising about \$305,000; the 2014 and 2018 Democratic nominees for the office (both former state lawmakers) barely topped a *combined* total of \$100,000 in contributions – would accept no contributions from banks and bank PACs, and would cap the amount individuals employed in the banking industry can donate at \$2,400, using federal limits as a model. If elected, Buttigieg pledged, “he would also pursue legislation to bar political contributions by banks to anyone running for the office, and to implement contribution limits for individuals who work at banks.”

□ But the pre-mayoral Pete also was thinking in positive policy terms, “advocating that financial institutions doing business with the Treasurer’s Office become more active community lenders.”

● The *Washington Post* writes that South Bend Mayor Pete Buttigieg (D) plans to double his campaign staff from 20 to 40 “in a matter of days,” and his team is narrowing down options for a bigger South Bend headquarters – perhaps an entire floor of a downtown high rise.”

● South Bend Mayor Pete Buttigieg (D) revealed in a March 16 email to supporters that the campaign not only hit the 65,000-donor threshold set by the Democratic National Committee for June debate participation, but it had topped the 75,000-mark. He reveals that “98% of all the donations we received were under \$200, and 66% of the total amount raised came in through contributions under \$200.”

IN Political News . . .

● The Libertarian Party of Indiana annual convention was slated for Fort Wayne March 22-23.

● The Vectren Corporation Employees Federal PAC makes a mid-February contribution of \$5,000 to the Indiana Republican State Committee, Inc.

● The Eli Lilly and Company Political Action Committee makes three February contributions of \$15,000 each to the Democratic Congressional Campaign Committee; the Democratic Senatorial Campaign Committee; and the National Republican Senatorial Committee.

● The Indiana Democratic Party sends an email blast to supporters Tuesday just before tipoff of the Indiana University NIT basketball game with an interesting theme largely overlooked since it was part of the party’s 2018 platform: “It is time we join a majority of the country, and legalize medicinal cannabis. Around the nation, 33 states have passed a measure to allow medicinal cannabis – including our neighbors in Michigan, Illinois, and Ohio. It’s Indiana’s turn.” The email notes the “overwhelming number of Hoosiers support legalizing medical marijuana,” and adds that “The benefits are clear for Hoosiers suffering from epileptic (sic) seizures to relieving stress and pain.” The state party asks Hoosiers to “Sign our petition (sic) if you believe Indiana should legalize medical marijuana.”

● Starke County Democratic Party Chair Kenny Wallace is resigning from his post.

● Cass County Democratic Party Chair Paul Ulerick resigns after almost eight years in the role.

● Almost 10½ years ago – late in the 2008 presidential campaign – your favorite newsletter served up an exclusive little nugget involving two giants of Democratic politics who were back in the news this month.

□ “Former U.S. Sen. Birch Bayh (D) tells us that he believes he was the only then-incumbent member of the U.S. Senate to campaign for Joe Biden (D-DE) in Delaware in Biden’s surprise successful challenge campaign in 1972. Little did he suspect that Sen. Biden would edge out another Bayh for the vice presidential nod (and what it would mean) 36 years later.” And after he told us that, he really did head for the Noblesville Dairy Queen, two blocks away from where we met.

□ Birch Bayh’s passing also marked the end of another era. As we told you a few years ago, he was the last surviving senator to have served in that body during the Kennedy Administration.

IN Brief



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IN Federal Circles . . .

● The Lugar Center, led by former U.S. Sen. Richard Lugar (R), and the McCourt School of Public Policy at Georgetown University released their new Bipartisan Index rankings of members of Congress for the 115th Congress (2017-2018). The non-partisan tool measures the degree to which senators and representatives work across party lines. “Despite serious failures of governance during the 115th Congress, including two government shutdowns, Congress experienced an undercurrent of bipartisan cooperation surrounding bill introduction,” reports Sen. Lugar. The Bipartisan Index measures the frequency with which a member co-sponsors a bill introduced by the opposite party and the frequency with which a member’s own bills attract co-sponsors from the opposite party. Representatives sponsoring fewer than two qualifying bills are excluded, which meant that U.S. Rep. Pete Visclosky (D) and two other House members

(one Republican; one Democrat) were not scored for the 115th Congress.

Bipartisan Rank by Session

| 115th | 114th | |
|-------|-------|------------------------|
| 41 | 24 | Susan Brooks (R) |
| 89 | 148 | Jackie Walorski (R) |
| 150 | 309 | Luke Messer (R) |
| 180 | 190 | Larry Bucshon (R) |
| 284 | N/A | Trey Hollingsworth (R) |
| 343 | N/A | Jim Banks (R) |
| 352 | 278 | Todd Rokita (R) |
| 364 | 307 | André Carson (D) |
| N/A | 121 | Pete Visclosky (D) |
| N/A | 424 | Marlin Stutzman (R) |
| 4 | 2 | Joe Donnelly (D) |
| 7 | N/A | Todd Young (R) |

□ Indiana was home to the most bipartisan Senate delegation during the 115th Congress, with then-U.S. Sen. **Joe Donnelly** (D) being the fourth-most bipartisan senator and the most bipartisan Democrat for the second consecutive session. U.S. Sen. **Todd Young** (R) was seventh in bipartisanship, and sixth among Republicans, giving Indians two senators among the most bipartisan 10. Only one other Senate delegation (the two Republicans from Iowa) landed a pair in the top 20.

□ The top two spots in Indiana's delegation didn't change from the 114th Congress to the 115th session, with U.S. Reps. **Susan Brooks** (R) and **Jackie Walorski** (R) leading the way. With the retirement of **Marlin Stutzman** (R), U.S. Rep. **André Carson** (D) becomes the most partisan lawmaker among the Hoosier delegation. U.S. Rep. **Larry Bucshon** (R) remains most consistent in rank between sessions.

● U.S. Sen. **Todd Young** (R) teamed up with U.S. Sens. **Ed Markey** (D-MA), **Jeff Merkley** (D-OR), and **Dick Durbin** (D-IL) last week on a bipartisan letter to U.S. Secretary of State **Mike Pompeo** and U.S. Secretary of the Treasury **Steve Mnuchin** seeking clarification of the Trump Administration's policy on sanctioning the perpetrators of atrocities committed against the Rohingya people during the 2017 security operations by Burmese military forces. Acknowledging the decision by the Administration to already sanction five officials, the senators point out that additional targeted sanctions against the senior-most ranks of the Burmese military – including Commander-in-Chief **Min Aung Hlaing** – is needed to send a strong message to Burmese officials most responsible for the violence. “We believe that it is important for the United States to signal its intolerance for behavior that contravenes fundamental human rights,” write the senators. “In particular, the designation of Min Aung Hlaing under the Global Magnitsky program would carry special significance given his role as the head of the Burmese armed forces. The body of evidence establishing Min Aung Hlaing's complicity in the human rights abuses against the Rohingya plainly warrants designations under both the Global Magnitsky Act and President Trump's sanctions order.”

● U.S. Sen. **Mike Braun** (R) raised eyebrows on Thursday when he told the Southwest Indiana Chamber in Evansville that the traditional 20% local match for federal aid on road projects is untenable, according to the *Evansville Courier & Press*. “We've never been in a worse shape federally to even continue the current road funding plan of 80-20,” Sen. Braun said, contending “All we're doing is lying to the public and putting more debt on future generations if we try to do infrastructure now without showing real reform on bringing our deficits down.”

● U.S. Rep. **Jim Banks** (R) joined **Jake Tapper** on CNN's *State of the Union* on St. Patrick's Day and he told the host that “The President condemned white nationalism and the actions that happened in New Zealand. There's no question about it. None of us can be emphatic ... enough in our condemnation of hate in all of its forms. That's why we have to take a step back and take a minute to talk about what we can do about it. And I'll give you an example: When white nationalism reared its ugly head in the House of Representatives, the Republican leader, **Kevin McCarthy**, stripped **Steve King** of his committee assignments. Today, as we sit here, Rep. **Omar** still sits on the Foreign Affairs committee after her anti-Semitic comments because Democrats and **Nancy Pelosi** refuse to do anything about it.”

□ Rep. **Banks'** office is recognized for a second consecutive year by the Congressional Management Foundation as a finalist for the Democracy Awards, an honors program recognizing non-legislative achievement in operations and constituent service by congressional offices. Banks' office is recognized for “excellence in Transparency, Accountability, and Innovation,” a category honoring offices employing unique or innovative methods to continuously enhance constituent interactions, and provide clear and relevant information on their work and performance, as well as publicly acknowledge related metrics. Twelve House and Senate offices were honored as finalists in three categories: (1) Constituent Service; (2) Transparency, Accountability, and Innovation; and (3) “Life in Congress” – Workplace Environment. The Banks office was a finalist for the Democracy Award for Constituent Service last year. According to CMF, “The office's training program sets them apart by including interns into their constituent services program over the course of the year, both in the Washington and district offices. They've developed a comprehensive manual for new hires and interns to use as a reference point, to provide training opportunities for them throughout their service with the office. The management team has established a process to supervise how actions are handled and processed, enabling them to review opportunities for improvement with new and old staff alike and address sub-optimal practices. By standardizing their input through customizing their CRM (customer relations management), they have developed a process which is more intuitive for interns and staff and, as a result, has reduced the likelihood they will forget to incorporate key information regardless of the type of constituent services operation they need to utilize.”

● U.S. Rep. **Pete Visclosky** (D) was pleased with the Federal Transit Administration's positive rating for the South Shore Rail Line West Lake project. “This action taken by the Federal Transit Administration is outstanding news for the Northwest Indiana economy and would not have happened without the steadfast support of Governor **Holcomb**, Sen. **Young** and our federal representatives, our state representatives,” says Rep. **Visclosky**, who pledges to support full funding for the Capital Investment Grant Program and the Double Track project.

IN State Circles . . .

→ *Cont. from page one . . .*

Don Lundberg of **Lundberg Legal**, counsel to **Hill** in this personal matter, issued a statement in response to the Disciplinary Commission complaint. “This matter has been investigated three times,” say **Lundberg**, chief legal counsel and executive director of the Disciplinary Commission for 18 years. “There was an investigation undertaken by the General Assembly, another by the inspector general and, finally, one by the special prosecutor. And after having reviewed all the information, all three reached the same conclusion: no further action was warranted. The Attorney General remains focused on serving the people of Indiana. This matter will be addressed through the proper process outlined for disciplinary complaints in the State of Indiana and we are confident it will conclude in a manner consistent with the results of the prior investigations.”

Note how **Lundberg** careful phrases his words. Parse his statement, however, and while each of the investigations may have found that “no further action was warranted,” the Taft Law investigation commissioned by legislative leaders suggested that because “AG **Hill** was a third party” with no supervisory

authority, his conduct had no impact on the legislative workplace, and leaders had no legal obligation to report his conduct to disciplinary officials. The leaders also determined that they had no formal authority beyond impeachment. The OIG investigation involved a special prosecutor who simply decided that he did not think a conviction would result, regardless of whether there was evidence to support a charge. A separate OIG report laid out details that were not in the special prosecutor's explanation of why he declined to prosecute, and concluded, "The public and others will judge whether the evidence in this case disqualifies Hill from holding elected office in the future. This investigation is now closed." Each entity declined further pursuit, but all took other action, such as solons enacting protocols addressing harassment; the special prosecutor saying his decision was based upon likelihood of conviction; and OIG deferring to the public "and others." Presumably that referred to the legislature - which drew up rules - and the Disciplinary Commission, which did act.

We told you exclusively in February the AG's Office retained Lundberg under a contract that began December 26, and runs through June 25, 2020 (a contract amendment serves up a pair of different end dates). Under that arrangement, Lundberg will be paid \$35,000 to "provide services on issues involving conflicts of interest and compliance with ethical professional obligations," a role in which he will "assist the OAG ethics officer." Niki Kelly reports in the *Fort Wayne Journal Gazette* Tuesday that Lundberg explained, "My representation on specific matters is confidential and privileged. I have not been paid with state funds to represent the attorney general in connection with the Disciplinary Commission matter."

While Lundberg had a 30-day period for a response, he effectively fired back immediately at the Commission, using a motion to decline appointment of a hearing officer or hearing panel as the functional equivalent of a motion for dismissal on Wednesday . . . and if the Commission didn't think Hill had expressed remorse before, then they - and the Supreme Court - will certainly not believe he has any such intent to do so now.

In a filing bound to infuriate non-lawyers, Lundberg informs that Court that "The material facts will be contested should this proceeding go forward." He reviews what he says should be the standard by which his client should be judged under the *Rules of Professional Conduct*: criminal conduct that reflects adversely on a lawyer's honesty, trustworthiness or fitness as a lawyer in other respects. He claims that the complaint fails to "aver how the alleged criminal conduct reflects adversely on honesty or trustworthiness. Neither battery nor sexual battery is a crime of dishonesty or breach of trust." Nor, Lundberg claims, does the complaint "aver how the alleged criminal conduct reflects adversely on fitness to practice law."

"In fact," the filing asserts, "the alleged criminal conduct does not reflect adversely on fitness to practice law." Lundberg notes that the "disputed facts" were said to take place at "a social event in the late evening and early morning hours "during a social occasion that was not a government or legal profession function at AJ's Lounge," far from the seat of government.

The Lundberg filing also reviews the findings of the special prosecutor and tells the court to his knowledge, "it is unprecedented for the Disciplinary Commission to charge a lawyer [with a Rules violation] a prosecutor with jurisdiction over making a criminal charging decision concluded that the elements of a crime were not present to warrant filing a criminal charge."

He alleges further that "It violates Indiana's public policy and respect for the office of prosecutor for the Disciplinary Commission, an agency not charged with primary enforcement of the criminal laws, to charge a lawyer with engaging in criminal conduct not directly related to the practice of law, after a duly authorized prosecutor concludes there was no basis for such a charge." He also notes that an Inspector General investigation "determined that Hill did not engage in conduct that fell within any statutes or rules falling within the Inspector General's purview."

The Hill response also draws the attention of the Supremes to the fact that the individuals who alleged they were the subjects of his unwelcome attention are represented by private counsel, and are in the process of seeking money damages against the State, the Office of the Indiana Attorney General, and Hill himself. Lundberg tells the justices that "It is imprudent for the Disciplinary Commission to use the power of a lawyer discipline proceeding to seek an adjudication of factual and legal issues that may benefit the private interests of putative litigants against the State of Indiana." He notes that none of these individuals "sought the Disciplinary Commission's intervention in this matter. In fact, the Commission determined to investigate this matter at the request of Andrew Straw, a suspended Indiana lawyer who was professionally disciplined by this Court"

Lundberg also writes that while the complaint alleges that Hill violated the Rules by engaging in conduct prejudicial to the administration of justice, it fails to allege "how the administration of justice was prejudiced by Hill's alleged actions." Lundberg asserts that "The administration of justice is not implicated by personal conduct of a lawyer who happens to be a public office holder, especially when a duly authorized special prosecutor has determined there was no basis to charge criminal conduct."

According to the response, the professional conduct standard in question, as applied in this case, violates Hill's due process rights because it is void for vagueness for failing to adequately put him on notice of conduct that would violate that rule and open him up to professional discipline.

He also knocks down the contention "that Hill violated the Indiana Oath of Attorneys, by engaging in offensive personality."



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"The Indiana Oath of Attorneys is a promise made at the time of bar admission and not, in contrast to the Rules of Professional Conduct, an on-going professional duty," Lundberg contends. "The *Indiana Rules of Professional Conduct* do not contain a requirement that lawyers abstain from the undefined notion of offensive personality. Use of the lawyer discipline process to punish a lawyer for allegedly engaging in offensive personality violates due process inasmuch as it applies a standard in a manner that is void for vagueness. In addition to failing to put lawyers on fair notice of conduct that falls within that standard, the offensive personality standard leaves too much power in the hands of a judicial branch regulator to punish lawyers, in this case a lawyer in a separate and co-equal branch of government, for illegitimate reasons, including personal dislike or subjective disapproval."

Lundberg's missive explains that "This is an extraordinary case in that it represents an agency of Indiana's judicial branch seeking to professionally discipline a statewide elected official of a separate and coequal branch of government. This is not unprecedented in Indiana, but it is rare. It is especially rare for an agency of the judicial branch of government to bolster the case for judicial branch intervention because of a claim that the contested conduct at issue 'does incalculable harm to the public perception of the Attorney General's office and all the state agencies it represents.'" Indeed, Lundberg contends, "There are layers of accountability mechanisms in the circumstances, including, in this instance, referral to a special prosecutor, referral to the Office of Inspector General, and investigation at the behest of the leadership of the legislative branch, all of which concluded that there was no basis for action against Hill. There are other layers of accountability that will likely or potentially be available, including civil damages litigation brought by the four individuals mentioned in the Complaint, and political accountability should Hill determine to run for re-election or for election to other public office. The lawyer discipline system is the least suited accountability mechanism to address alleged personal conduct that occurred in a non-governmental setting at a non-governmental function, unrelated to the practice of law."

Finally, according to the response, "Whether the alleged conduct, found by a special prosecutor to not warrant a criminal charge, does 'incalculable harm to the public perception of the Attorney General's office' is a political question on which Indiana voters should be heard and not one that should be decided by another branch of government."

So what can the Supremes do with the complaint against Hill? Basically anything they darn well please . . . and on their own timetable.

Even before the introduction of the fascinating general constitutional questions about vagueness and the actual application of the *Rules* and Oath to this type of conduct (though lawyers are regularly disciplined for such offenses as OWI, and are subject to the regular operation of the law for that conduct as would be with any non-lawyer), this was effectively a matter of first impression for the Supreme Court (at least with respect to statewide elective officials, and certainly the one official whose qualifications under I.C. § 4-1-6-3 require the occupant to be duly licensed to practice law in Indiana).

This case and set of circumstances will provide the justices a platform by which to set harassment standards . . . and/or make a bold statement.

The Court can decide that the conduct merits no punishment, or it can impose discipline ranging from an admonishment in the form of a private or public reprimand up to law license suspension or disbarment.

A suspension – however brief – if imposed during his term of office, would almost certainly result in Hill having to leave, given that a condition of holding the office is the ability to practice law in Indiana. House Speaker Brian Bosma (R) said Thursday "My reading of the statute ... is that a qualification – not an *election* qualification, but a *service* qualification – is a valid license to practice law in Indiana, which the Attorney General would not have if it was suspended, so we'll seek some guidance if that should be the case, to be sure that we're following appropriately the law."

Should the AG hold out in the face of such an order, removal proceedings via a writ of mandamus would probably have to be instituted. There are also questions about whether a suspension would require his literal withdrawal from every case being "prosecuted" by the State, because he is technically the person representing the State; others in the office only sign on effectively as representing him on behalf of the State.

The Court is well aware of such contingencies, as well as his ability to prolong proceedings by pursuing all of his appeals, including, we are told, a rehearing and then the option of asking the Supreme Court of the United States to overturn an Indiana Supreme Court action.

As a result, and recognizing the timetable (another month for his response, and perhaps another month or so for deliberation and a ruling and even more time for an appeal) that could mean the AG would only have 18 months or a year left on his term, the Court, if inclined to issue a suspension, could move it to a future point, such as the day after his term is set to expire in January 2021. The Court often allows suspended attorneys a period in hitch to tie up their affairs and outstanding cases without unduly prejudicing the sanctioned attorney's clients, and this could be an equivalent for a public official, while, at least in theory, ensuring that he would be ineligible to run for a second term, and also punishing him, but not the State, for his personal conduct.

Costs of the proceedings will almost inevitably be assessed, even if the punishment ultimately amounts to just a slap on the wrist.

While it's not important that the justices now have all been appointed by Republican governors, as former Chief Justice Randall Shepard once noted, they do not live their lives in isolation, and hear what people are talking about in the grocery store – and in the halls of the State House. They understand the perceptions involved in the #MeToo era, and the reality of responsibility that should be exercised by those in power. They also understand the law, and how each of the investigative entities was limited by its respective mandate, and that such behavior might fall into the category of capable of repetition, yet evading review.

The standards under which the justices evaluate and rule upon disciplinary complaints are not quite as cut-and-dried as statutory or case law (and there are many situations – flagrant and otherwise – where one justice will dissent, holding out for stiffer punishment), and justices are particularly aware of the need to promote public confidence in the law and those who administer it and assist in or contribute to its administration.

Anyone who says they can tell you how this one will turn out doesn't know what they're talking about. There are several justices who have not been on the court long enough for anyone to have developed a feel for how they might approach sanctions, and there really hasn't been a justice or two who has seemed to stand out from his or her colleagues on legal discipline cases as there had been on previous iterations of the Court over the past generation+ (and we'll name-check former Chief Justice Brent Dickson here as one of those we're thinking about).

And, as we noted, this is effectively a matter of first impression on assorted grounds, and there may also be a desire by Chief Justice Loretta Rush for the Court to remain unanimous on such an important case, and simply for that reason, there could be compromise on a lesser punishment to generate a *per curiam* ruling.

The only certainty: However the justices ultimately rule on the disciplinary complaint, it will be picked apart by those unsatisfied with it, just as the leaders of the General Assembly, the Inspector General, and the special prosecutor learned.

- Both Senate Committee on Appropriations Chair **Ryan Mishler** (R) and Senate Committee on Tax and Fiscal Policy Chair **Travis Holdman** (R) have expressed skepticism over the need to add the \$286 million annually requested by the Governor and approved by the House for the Department of Child Services.

- Sen. Mishler cites an encouraging decline in caseloads and improved retention rates for case managers . . . while Sen. Holdman refers to solvable DCS-internal cultural issues and potential changes to removing a child from a home and involving the courts as a first reaction.

- Fifth Third Bancorp beats out four competitors for the banking services and remote cash and remote deposit management services contract for the Bureau of Motor Vehicles, a four-year deal worth an estimated \$1,110,213. Other bidders were Huntington Bancshares Incorporated; JPMorgan Chase Bank, N.A.; KeyBank, N.A.; and PNC Bank, N.A.

- The justices of the Supreme Court of the United States slate their the next conference for Friday, March 22, and the two big Indiana cases we have been telling you about for a what seems like an eternity now will be on the conference agenda yet again as the justices determine whether to add the matters to their docket.

- For the seventh time the Court has put off a decision on whether to review the State of Indiana's October petition for a *writ of certiorari* in *Box, et al., v. Planned Parenthood of Indiana and Kentucky, Inc., et al.*, No. 18-483. This is the challenge to provisions of HEA 1337-2016 that would (1) require health-care facilities to dispose of fetal remains in the same manner as other human remains, *i.e.*, by burial or cremation; and (2) prohibit abortions motivated solely by the race, sex, or disability of the fetus and require physicians to inform patients of the prohibition.

- Could the Supremes be waiting for the complete filings in *Box, et al., v. Planned Parenthood of Indiana and Kentucky, Inc., et al.*, No. 18-1019, the ultrasound informed consent case to combine the matters? Or perhaps even holding out for a PPINK appeal of the just-decided Seventh Circuit ruling in the fetal tissue research case arising from the same law?

- A different theory is advanced by Marilyn Opendahl in the *Indiana Lawyer*. She writes that "Linda Greenhouse, *New York Times* columnist and lecturer at Yale Law School, believes the multiple relistings indicate the Supreme Court is not going to take the case, but she suspects someone is writing a dissent. Her guess is that '(Justice Samuel) Alito and his friends are writing a screed' about why the court needs to accept this case to overturn the *Roe v. Wade*, which legalized abortion in 1973. 'We're going to see some kind of writing,' Greenhouse said."

- Another Indiana case will also be relisted – for an 11th time now – on March 15 after having been rescheduled twice as well. *Newton v. Indiana*, No. 17-1511, involves the 1995 decision of a juvenile offender who, in exchange for the State's agreement to no longer seek the death penalty, pleaded guilty to a sentence of life without the possibility of parole for a murder he committed at age 17 with two older co-defendants. This case appears to have now lingered on the SCOTUS conference agenda more times than any other case up for consideration.

- This month, a panel of the U.S. Court of Appeals for the Fifth Circuit in New Orleans heard oral arguments on whether the Indian Child Welfare Act (ICWA) is unconstitutional. The 41-year old law governs jurisdiction over the removal of Native American children from their families, and was enacted to help remedy longstanding policies that had separated Native American children from their communities. The law affords initial preference to Native American families in placement of Native American children in foster care or for adoption, and the Native American community considers it to be essential to preserving the culture of their respective tribes.

- Why should you care about it? Because Indiana has joined Louisiana and Texas in challenging its constitutionality, alleging that the law is an unconstitutional race-based statute, and that it fails to account for any emotional bonds that may have been forged between Native American children and their caregivers. Indiana and the other two states also claim that ICWA infringes upon the rights of states to oversee child welfare in their own jurisdictions. In October, a U.S. District Court judge in Texas struck down the law as unconstitutional, holding that it was based upon race and violates the Equal Protection Clause. Indiana and the other two states are defending that ruling against an appeal to the Fifth Circuit. After the oral argument, the Texas Attorney General's Office issued a statement reiterating that ICWA was unconstitutional because it "requires that a child's 'best interest' – normally the governing inquiry in child welfare proceedings – be subordinated to racial considerations."

- The Indiana, Texas, and Louisiana position is being opposed by more than 20 other states; 325 tribes; almost 60 tribal organizations; 30 child welfare advocacy groups; a bipartisan group of U.S. House and Senate members; and the U.S. Department of Interior's Bureau of Indian Affairs.

- A motion filed by an individual in federal bankruptcy court in Colorado seeks to discharge a debt he owes to the Department of Natural Resources and Natural Resources Commission under a 2010 settlement agreement he entered into with the Commission that obligated him to "plug and abandon" some oil and gas wells in Indiana. The plaintiff seems to believe that a Chapter 7 bankruptcy petition granted in 2011 relieves him from responsibility for paying a 2014 order issued by the Spencer County Circuit Court in which DNR seeks to enforce the 2010 deal.

- The Federal Energy Regulatory Commission denies a complaint lodged by the Coalition of Midwest Power Producers, Inc. against the Carmel-based Midcontinent Independent System Operator, Inc. (MISO) alleging that MISO violated its tariff by not requiring all capacity resources to be deliverable up to their installed capacity levels. FERC determined that MISO reasonably implemented its tariff provisions related to capacity resources finding that MISO had consistently tapped unforced capacity values for resource adequacy and that the practice did not jeopardize system reliability. FERC noted MISO ensures that planning resources are feasible, and that it makes needed adjustments through an iterative process, which reasonably mitigates risk.

- As we told you to expect, the Indiana American Water Company (IAWC), the Office of Utility Consumer Counselor, and all additional parties (the Citizens Action Coalition of Indiana and the Indiana Community Action Association; industrial customers Arcelor Mittal USA, Fiat Chrysler Automobiles, and Praxair, Inc.; the municipal governments of Crown Point, Schererville, and Whiteland; and Sullivan-Vigo Water Corporation) in the utility's pending rate case have reached a comprehensive settlement agreement.

- The agreement was filed Monday with the Indiana Utility Regulatory Commission, which may accept, deny, or modify the proposed deal - which bridged a huge gap between IAWC's initial substantial rate hike request and OUCC's push for an actual rate cut. An IURC hearing is set for April 11. "Between new evidence presented during the case and the OUCC's strong support for utility investments in aging, necessary infrastructure, we have come to a mutual resolution," says Utility Consumer Counselor Bill Fine. He explains that the pact "provides a reasonable balance between investments needed for safe, dependable water and fair rates to cover the costs." The agreement's terms include:

- An overall revenue increase of \$17.5 million annually, to be implemented in two phases. IAWC had requested \$38.8 million.

- A 9.8% authorized return on equity, vs. 10.8% as IAWC sought.

- Resolution of all issues pertaining to the federal Tax Cuts and Jobs Act of 2017, and sharing of federal tax relief with customers.

- Approval of a low-income pilot program to be funded with an even balance of ratepayer and shareholder dollars. The pilot program will focus on customers in Gary, Muncie, and Terre Haute.

- In the midst of the major legislative blitz over the Indiana Convention Center expansion and new Indianapolis downtown hotels attached to the project, the downtown convention flagship J.W. Marriott Hotel is back in the Indiana Tax Court with yet another property tax appeal. *Convention Headquarters Hotels LLC v. Marion Co. Assessor*, No. 19T-TA- 00006, sees the J.W. (as CCH) challenge its 2010 assessment, claiming it violates the Constitution's: (1) Equal Protection Clause; (2) Equal Privileges and Immunities Clause; and, (3) Due Process Clause. The hotelier also alleges that it violates 42 U.S.C. § 1983, the provision of the Civil Rights Act of 1871 that that allows people to sue the government for civil rights violations; the Property Taxation Clause of the Indiana Constitution; and the requirement that land be assessed at its market value-in-use.

- Just after we told you about the national attention directed to the Bureau of Motor Vehicles non-binary option for gender identity on driver's licenses and identification cards - and marveled at the lack of legislative pushback, a Third House meeting in Warsaw on March 15 saw two House members address the issue, followed by a move in the House via amendment to put the kibosh on the practice.

- Rep. Dave Wolkins (R) "brought up the issue during his introduction" at the event, reports the *Warsaw Times-Union*. "He said it appears the policy was intended to accommodate about 20 Indiana residents who were born with both male and female anatomy. Other than that circumstance, the BMV would require approval from a physician. 'The initial reaction is pretty strong. We have a BMV (bill) coming up and there are about ten people who want to add an amendment on to stop this,' Wolkins said. Wolkins said he opposes the policy because it's part of the agenda pushed by the lesbian, gay, bisexual and trans community Wolkins said the new policy would cause difficulties for police when it comes to searching suspects and where to house inmates in the jail. 'There's a lot of other things that could develop. We just don't really need those problems. That's just a personal opinion,' Wolkins said."

- Rep. Curt Nisly (R) "said he didn't understand the need for it, especially if somebody has gender re-assignment surgery. 'It's really kind of strange,' Nisly said. Nisly added, 'It's not the problem with the letter, it's the direction where it's going.'"

- On the next day of floor action, Rep. Matt Hostettler (R) had prepared an amendment to SB 324 that would have required BMV to assign a male or female identifier to an individual's listed gender when they applied for a veterans' placard that would allow a holder of a disabled Hoosier veteran license plate to receive a placard that would offer an exemption from metered parking fees, but was dissuaded from doing so after colleagues questioned its germaneness. " 'X' is no type of identification, so they're effectively leaving that portion unanswered," Rep. Hostettler told Erica Irish of TheStatehouseFile.com. "Indiana code asks for those things to be answered. [The amendment] would make it so there is an answer one way or another "I'm just trying to find a way that this can be clarified. I believe I understand why people might do that, but how does someone who's looking at an ID card use that to help identify you?"

- This was a matter that consumed a lot of oxygen behind the closed doors of the House Republican Caucus through the first half of the week, and it clearly Exasperated House Speaker Brian Bosma (R), who acknowledged its impact on the bias crimes bill - and vice versa.

- On Wednesday, however, an amendment was attached to SB 182, a BMV mobile credential bill (allowing driver's licenses to be accessed on a mobile phone) authored by Sen. Eddie Melton (D), in the House Committee on Roads and Transportation requiring that "An applicant requesting to change the gender appearing on the applicant's driver's license or permit shall provide to the bureau a certified amended birth certificate showing the applicant's change in gender." Republican legislative leaders seem satisfied with this alternative, but the change would render it more difficult for transgender and non-binary Hoosiers to update gender preferences on their principal form of government-issued IDs.

□ A distressed Sen. Melton said “This was never my intent for this bill, and it was already properly vetted in the Senate for its original purpose. I wanted to create a pathway to help Hoosiers with the convenience of a mobile license, but this amendment will only hurt individuals. This amendment was offered at the last second with little notice for the General Assembly and the public to weigh in. I will fight to prevent this bill from becoming a piece of legislation that devalues someone.”

□ ACLU of Indiana Director of Advocacy and Public Policy Katie Blair immediately responded with a statement suggesting lawmakers “will attempt to amend any bill related to the Bureau of Motor Vehicles in order to add hurdles for trans Hoosiers seeking to update the gender marker on their drivers’ licenses. By eliminating a physician’s statement as a valid document in order to change the gender marker on a driver’s licenses, SB 182 will require transgender individuals to go through the burdensome and costly legal process of changing their birth certificate in order to update their ID. In addition, this language will leave some Indiana residents who were born in a state that does not allow birth certificate updates, completely unable to get accurate identification.

□ Blair labeled this as “a spiteful reaction to the BMV’s new policy that offers a non-binary gender option for drivers’ licenses and identification cards. Accurate identification is necessary in many areas of everyday life, and yet, elected officials want to force gender non-binary people to carry identification that does not accurately identify them. This is not only humiliating, but can also invite discrimination and, in some cases, violence.”

□ There is also concern that adding this issue into the mix may have complicated continuing negotiations on the bias crimes bill, which reportedly had been proceeding toward the proverbial sweet spot as religious leaders keep weighing in for what had been called The List.

● Keep an eye on this: In *Kanter v. Barr*, No. 18-1478, a case involving a man convicted of mail fraud, Judge Amy Coney Barrett of the U.S. Court of Appeals for the Seventh Circuit authored a 37-page dissent from the 26-page majority opinion (the majority was comprised of two judges appointed by President Ronald Reagan (R)), in which the former University of Notre Dame law professor wrote that she would hold that felon dispossession laws, which bar convicted felons from being legally able to bear arms, are unconstitutional under the Second Amendment as applied to the mail fraud defendant because he wasn’t shown to “belong[] to a dangerous category or bear [] individual markers of risk.”

□ The Seventh Circuit majority opinion held that “the government has established that the felon dispossession statutes are substantially related to the important governmental objective of keeping firearms away those convicted of serious crimes.” Judge Barrett believes, however, “that power extends only to people who are *dangerous*. Founding-era legislatures did not strip felons of the right to bear arms simply because of their status as felons.”

□ The Seventh Circuit majority upheld a ruling by the chief judge of the U.S. District Court for the Eastern District of Wisconsin, a Bush 43 appointee.

● In Attorney General *Official Opinion 2019-2*, an inquiry on behalf of the Johnson County Convention, Visitor, and Tourism Board, the Office of the Attorney General is asked whether the Tourism Board may expend funds from its Convention, Visitor, and Tourism Promotion Fund for the direct benefit of for-profit corporations under any circumstances. More directly, the Tourism Board asks whether it could enter into a contract or otherwise make an award from its Tourism Fund to a for-profit corporation where the Tourism Board determines the for-profit business’ convention, trade show, special event, or recreational activity would bring more visitors or tourists to the county.

□ The brief answer: “Under these statutory provisions, the Tourism Board may not enter into an agreement or contract, award a grant, or otherwise make a direct payment from its Tourism Fund to a for-profit corporation for the purpose of promoting and encouraging conventions, visitors, or tourism in Johnson County. While such awards are reserved to not-for-profit corporations to discharge these functions, the statutory provisions do not restrict such not-for-profit corporations from engaging in separate contractual agreements with for-profit entities in order to satisfy the requirements of the award from the Tourism Fund.”

● Former House majority floor leader Jud McMillin (R) is the attorney for a former Milan clerk-treasurer charged with six felony counts related to violations of the depository rule and official misconduct. Mike Perleberg, news director for *Eagle Country* 99.3-FM in Lawrenceburg, reports that “The charges were filed nearly five years after [the official] resigned from office in March 2014 as an Indiana State Board of Accounts audit of the town’s finances were conducted. The audit determined many checks to the town were not deposited in a timely manner and little to no records were kept during [his] 13 months in the clerk’s office. The SBOA’s report on the audit was not formally completed until November 21, 2016.”

□ The public (relations) defense that McMillin is mounting is interesting. “All this stuff is really retroactive stuff. It’s not things that at the time anybody was pointing at this guy saying ‘You’re doing a terrible job’ and forcing him out,” McMillin tells Perleberg, adding that what he expects to be found as the case develops is that his client fell short of “ridiculous statutes. I don’t think he stole anything. When he took over that place, it was a complete mess. It may have been an insurmountable task to try and fix then,” McMillin adds. An April 12 hearing on McMillin’s motion to dismiss has been slated before a special judge in Dearborn County Superior Court 1.

● In *Berry v. Indiana Superintendent of Public Instruction*, No. 1:19-cv-01066-RLY-MJD, the American Civil Liberties Union of Indiana files suit in U.S. District Court for the Southern District of Indiana, alleging that Alan Berry, a film maker who was previously employed by the Indiana Department of Education to create documentary film concerning the Indiana Migrant Education Program, had his First Amendment rights abridged by DOE. The lawsuit claims that Berry’s film, was not released during his tenure with DOE and so, following his resignation from that agency, he finalized the project and released it online, as he had with some other videos he had created during his DOE tenure, which had been completed and previously released by DOE itself.

□ “Berry’s actions were met with a cease-and-desist letter from the DOE’s attorney, which demanded that he remove all of these videos from their online platforms under threat of a suit for copyright infringement.” His ACLU attorneys assert that “no such registered copyright exists; but even if it did it could not be enforced against Mr. Berry insofar as Indiana law prohibits the enforcement of a copyright concerning a public record. Rather, Mr. Berry has a First Amendment right to publish and disseminate the aforementioned videos, and he is entitled to a declaratory judgment affirming this right.”

IN the Economy

● The trouble-plagued \$2.79 billion Midwest Fertilizer plant proposed for Posey County seems to be on again after Midwest Fertilizer Company settles a dispute with the Internal Revenue Service over the tax-exempt status of \$1.259 billion in 2013 refunding bonds. According to Midwest Fertilizer, the IRS Office of Appeals determined that the bond holders are “not required to include in gross income any interest thereon and no income shall be recognized by such holders as a result thereof. The Bonds remain outstanding.” This dispute arose from an audit which questioned whether the refunding bonds were entitled to retain the tax exemption for which the original bonds qualified for in 2012 under the Midwestern Disaster Area Bonds program. The Heartland Disaster Tax Relief Act of 2008 which authorized the program only allowed the subject bonds to be issued through the end of 2012.

□ Long-time readers will recall the checkered history of this mega-project. The Daniels Administration offered an incentive package of more than \$3.5 million for the project in 2012 that also included access to tax-exempt financing through the allocation of a portion of the state’s volume cap under the Midwest Disaster Area Bonds program. But as 2012 was winding down, the U.S. Department of Defense slammed a principal partner in the project, the Fatima Group, over its failure to cooperate with DoD in ensuring its products weren’t being used in IEDs against allied forces in Afghanistan and Pakistan, and the day after he was sworn in as governor, then-Gov. Mike Pence (R) abruptly ended any state support for the Midwest Fertilizer project, later dropping all state involvement in the effort. Posey County then assumed the role of issuer after the Pence Administration Indiana Finance Authority opted out. Posey County ended up refunding or remarketing the bonds six times between July 2013 and November 2015 before Midwest Fertilizer purchased the bonds in the Fall 2016.

□ After Fatima ultimately relented on the military request, the state eased back into the project in a small way, but another delay was forced when the plant location was changed from the Port of Indiana-Mt. Vernon, to a site just north of Sabic Innovative Plastics on Mackey Ferry Road. The dispute with the IRS over the tax-exempt status of the paper halted things again last year.

□ Midwest Fertilizer – which touts an economic impact for its project in the multi-billion dollar range – will now seek to re-engage with its project partners, and likely return to the market to sell the now-confirmed tax-exempt bonds, as well as seek new equity financing and you should also not be surprised if the partners pursue additional debt.

□ The project team had earlier looked at a four- to eight-month gap between a positive IRS ruling and ground-breaking, but we think you should be looking toward the second quarter of 2020 for this project to get off – or into – the ground . . . if, in fact, the financing package continues to prove viable in this economic environment, which has changed considerably since it was first investigated eight years ago.

● The Grain Belt Express project has finally been approved by a unanimous Missouri Public Service Commission on its third try, and after several long court battles in the Show Me State (and a former governor even represented the project in the state’s top court). The key here is that the approval affords developers the right to use eminent domain to construct the line and will not require county-by-county approvals.

□ Green Belt Express will transmit wind power from where it is generated in Kansas across a 780-mile transmission line through Missouri and Illinois before it connects to a Sullivan County terminus from which the power hooks into a grid serving eastern states. One change: Chicago-based Invenergy is purchasing the project from Houston-based Clean Line Energy Partners, and that also should pave the way for Illinois, to reverse last year’s rescission of approval based on Clean Line lacking a physical presence in the state – which meant that it could not qualify as a utility.

● Some \$45.4 million worth of Indiana military projects have been identified by the U.S. Department of Defense as potentially being in jeopardy because their funding may be diverted to help fund the southern border wall under the President’s declaration of a national emergency.

□ The projects include:

- Crane Army Ammunition Plant (Railcar Holding Area)
– \$16.00 million
- Hulman Regional Airport (Small Arms Range)
– \$8.00 million
- Grissom ARB (Add/Alter Aircraft Maintenance Hangar)
– \$12.00 million
- Grissom ARB (Aerial Port Facility)
– \$9.40 million

□ U.S. Rep. Jim Banks (R), a member of the House Committee on Armed Services, assured listeners of WOWO 1190-AM in Fort Wayne Wednesday, “These projects in Indiana are important, and I am confident those projects will get funded,” while U.S. Sen. Todd Young (R) tells the *Fort Wayne Journal Gazette* that the list of projects is “far from final” and “speculative.”

● Vectren Energy Delivery of Indiana – South, a CenterPoint Energy company, earns approval from the Indiana Utility Regulatory Commission to build a 50-megawatt universal solar array on approximately 300 acres in eastern Spencer County near Troy, consisting of about 150,000 solar panels.

● AM General of South Bend receives an \$89 million order to provide 739 new M1152A1 High Mobility Multipurpose Wheeled Vehicles (HMMWV) to the U.S. Army National Guard as a part of their modernization initiatives. This is in addition to the 740 new HMMWVs ordered in October 2018.

- Howe Military Academy in LaGrange County will close at the end of the current school year. The private, co-educational, and college preparatory boarding school has been around for 135 years. No word on how many people will lose their jobs, but the school employed more than 40 faculty and as many as 50 staff members.

- Franke Plating Works, a family-owned metal plating firm established in 1930 and serving a worldwide client base in the automotive, aerospace (including NASA), agriculture, defense, and medical industries, plans to invest \$1.1 million to upgrade and expand its production facility just east of downtown Fort Wayne, and add more than 15 new jobs by the end of 2022. The Indiana Economic Development Corporation offers Franke Plating Works up to \$165,000 in performance-based tax credits, and Northeast Indiana Works offered additional incentives . . . Noblesville-based Metal Powder Products (MPP), a global provider of custom-engineered powder metallurgy product solutions for automotive, hydraulic, medical, and mechanical applications, plans to expand its operations in Hamilton County, moving a manufacturing division from Solon, Ohio, to Indiana and expecting to create up to 80 new jobs by 2020. The portfolio company of Mill Point Capital proposes to invest \$1.5 million to equip and repurpose its current 60,000 square-foot facility to dedicate more space – 40,000 square feet – to manufacturing, while the remaining 20,000 square feet will be equipped to serve as office space and to support R&D capabilities. In 2018, IEDC offered MPP up to \$500,000 in performance tax credits and up to \$100,000 in training grants. The City of Noblesville is offering permit assistance in support of the project, and Duke Energy approved additional incentives to offset a portion of the future energy costs . . . Alabama-based Sims Bark Company, a family-owned manufacturing business that wholesales landscape bark products to retailers, plans to invest \$10 million in a new facility on a 56.684-acre site in Jackson County adjacent to I-65, expecting to hire at least 20 and as many as 40 local workers. Sims would convert wood byproducts from local sawmill operations into bark mulch and distribute it to big box home-improvement and consumer retail stores in both south central Indiana and western Ohio.

□ As the new director of the Indiana State Climate Office (IN-SCO) at Purdue University, Hall says her most pressing goal is to determine what climate information the state and its residents need to be more successful and profitable, and then to provide that data in a practical and usable way – whether through tools, educational materials and presentations, or targeted communications – that can be used to drive decision making. For example, climate data could be used to examine historic rainfall and flooding patterns to make predictive assessments that could aid in the design of roads and stormwater and drainage systems. And if farmers face a plant disease risk that is tied to climate, a tool could be developed to provide alerts when those conditions are likely to exist.

IN the Lobby

- Long-time Eli Lilly and Company federal lobbyist Joe Kelley is retiring from his post as vice president of global government affairs.

IN Transition

- Indiana's new state climatologist is **Beth Hall**, who spent the last seven years as director of the Midwestern Regional Climate Center at the University of Illinois, one of six federally funded centers, which served stakeholder climate needs across a nine-state region. She previously served as the New Hampshire state climatologist. Hall earned her bachelor's degree in physical geography with an emphasis in meteorology in 1994 from Indiana University, and her master's degree in atmospheric physics and doctorate in atmospheric sciences from the University of Nevada, Reno.

□ IN-SCO was established in 1956 to study and document the state's climate and act as the official archive of weather observations recorded throughout the state. IN-SCO staff interprets and applies data to help address climate-related issues and make data broadly available.

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Pillar 1- Diversify our economy

NWI Times- [Michigan City named one of the best small cities for business](#)
News Dispatch- [Tool and die and hemp jobs coming](#)
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Pillar 3- Strengthen our workforce

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LaPorte County Life- [NW Indiana Workforce Board award \\$600,000 for re-entry services to ex-offenders](#)

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NWI Times- [Indiana officially becomes the 46th state to enact a bias crime law](#)
WTHR- [Former IN Supreme Court justice says new hate crimes law protects gender, gender identity](#)
Chicago Tribune- [Gov. Holcomb signs Indiana hate crimes measure into law](#)
WDRB- [Indiana governor signs hate crimes bill to mixed reaction](#)
WNDU- [Indiana governor signs controversial hate crimes measure into law](#)
WTHR- [Gov. Holcomb signs hate crimes bill into law](#)
Journal Gazette- [Hate crimes bill is signed by Holcomb](#)
WIBC- [Holcomb Signs Hate Crime Law](#)

2019 Legislative Session

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Chalkbeat- [Indiana could scrap test seen as a barrier to training more teachers of color](#)
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Misc.

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IN Public Media- [21,000 Evangelicals Petition For 100 Percent Renewable Energy In Indiana](#)
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Sincerely,

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HOLCOMB SIGNS HATE CRIME LAW: Gov. Eric Holcomb made Indiana's first hate crimes sentencing law official Wednesday, signing a bill allowing judges to give more severe sentences when bias is the basis of a crime (Kelly, [Fort Wayne Journal Gazette](#)). "Our goal was to achieve a comprehensive law that protects those who are the targets of bias crimes, and we have accomplished just that. We have made progress and taken a strong stand against targeted violence," the governor said. "I am confident our judges will increase punishment for those who commit crimes motivated by bias under this law." Holcomb and other Republicans said it covers all Hoosiers targeted with hate although others wish it had gone further. Indiana was one of only five states without an explicit bias crimes statute. In many states, an additional charge can be added or the level of crime can be enhanced if it is motivated by hate based on certain classes. But Indiana's law simply gives a judge authority to stiffen an existing penalty. Here is an example: The advisory sentence for a Level 5 battery conviction is three years in prison. But a judge can increase the sentence to as much as six years by using aggravating factors such as bias, as well as others already in law. Indiana's new law identifies bias based on a person or group's "real or perceived characteristic, trait, belief, practice, association, or other attribute." Those attributes include -- but are not limited to -- color, creed, disability, national origin, race, religion or sexual orientation. Age, sex and gender identity are not explicitly included.

FORMER JUSTICE SULLIVAN SAYS NEW LAW 'QUALIFIES': Former Indiana Supreme Court Justice Frank Sullivan Jr. said in a letter to Gov. Eric Holcomb that the hate crime bill he signed into law Wednesday "qualifies as a hate crime law that is legally sufficient and can be used by trial courts across Indiana to impose harsher sentences" (*Howey Politics Indiana*). Sullivan said the "language of the bill is clear that acts of bias that are specifically referred to are not exclusive: Gender and gender identity, as well as age, citizenship, marital status, etc. are authorized to be used as an aggravating circumstance in determining a sentence every bit as much as race or religion or sexual identity. Just because a characteristic or trait is not specifically listed does not prevent it from being used to impose a harsher sentence. That was the conclusion reached by the Indiana Supreme Court in its unanimous *Witmer v. State* decision, a case in which I participated while a justice on the court. To be clear: If a person thinks that under this law he or she can commit a crime with bias due to a victim's gender or gender identity without risk of a harsher sentence, that person is wrong." Sullivan was chosen for the Supreme Court by Gov. Evan Bayh and is now a professor at the Indiana University School of Law in Indianapolis. Sullivan added, "Thank you for your leadership on this important issue."

BUTTIGIEG CAMPAIGN KICKOFF APRIL 14 IN SOUTH BEND: South Bend Mayor Pete Buttigieg is preparing to officially launch his Democratic presidential campaign on April 14 ([Howey Politics Indiana](#)). In an email to supporters, Buttigieg said, "I'm making an announcement in South Bend on April 14th and would be honored if you would join me. Whether you'll be supporting us from home through our livestream or joining us in person, we want you to be a part of the special day." In a Facebook video, Buttigieg recounts his Jan. 23 exploratory kickoff and said, "A lot has happened. We've listened as you've shared your stories and ideas. It's not just about winning. It's about winning an era and bringing generations together. Join us April 14, South Bend."

BUTTIGIEG COMMENTS ON PENCE SAYING 'GOD' WANTED TRUMP AS PRESIDENT: Democratic presidential candidate Pete Buttigieg said in a recent interview that Vice President Pence's reported belief that God wants him to be vice president and Donald Trump to be president seems to give God "very little credit." The South Bend, Ind., mayor was pressed on the issue during a discussion Father Edward Beck, a Roman Catholic priest and on-air faith and religion commentator for CNN ([The Hill](#)). Buttigieg said in response that "the idea that God wants somebody like Mike Pence to be the cheerleader for a president largely known for his association with hush money to adult-film actresses seems to me to give God very little credit." During the pair's discussion on religious faith and public life, which was released on Tuesday, Buttigieg also took aim at Indiana's Religious Freedom Restoration Act, which Pence signed into law in 2015, when he was governor of the state. Buttigieg said he viewed the legislation, which allows businesses in Indiana to cite their religious freedom as a defense in lawsuits, as a "license to harm others in the name of religion." "It was to me a trashing not just of our sense of freedom and our sense of rights, but also, in some way, a trashing of religion," he continued. "Like is this really the biggest thing we should be doing to accommodate religion right now? Making it easier to harm people in its name?"

PENCE IN INDIANA TODAY: Vice President will travel to Indianapolis today (*Howey Politics Indiana*). There, he will visit Lamb Farms, Inc. to discuss the positive impacts of the United States-Mexico-Canada Agreement (USMCA) on the business and agricultural community. Randy Kron, president of the Indiana Farm Bureau, is expected to attend the event, which will not be open to the public.

BRAUN SAYS GOP NEEDS OBAMACARE ALTERNATIVE: U.S. Sen. Mike Braun said Wednesday that Republicans should stop talking about repealing the federal Affordable Care Act until they have a concrete proposal to take its place (Francisco, [Fort Wayne Journal Gazette](#)). "I don't like the discussion on repealing it, especially if it's not combined with a defined,

comprehensive plan" to replace the health care law, Braun, R-Ind., said in a conference call with Indiana reporters. "Quit focusing on repeal until you've got something that the American public is going to trust," he said. The first-year senator said any health care legislation the GOP produces should retain key elements of the Affordable Care Act, including mandatory insurance coverage for pre-existing medical conditions, no limits on insurance coverage, and allowing people younger than 26 to stay on their parents' insurance plans. "Some of the tenets of Obamacare actually were good. It was the fact it was big government and big health care that crafted the details," Braun told reporters.

INDIANA WOMEN MAKE FAR LESS THAN MEN: Indiana men and women have one of the nation's biggest disparities in pay for the same amount of work, according to a pay equity study ([AP](#)). The American Association of University Women, a not-for-profit that pushes for equality for women, conducted a 2017 analysis to compare median yearly earnings by sex in the 50 states, Washington, D.C., and Puerto Rico, and compared the protections and solutions offered to workers who face discrimination. The analysis showed that Indiana scored noticeably below the national average in wage parity, the Evansville Courier and Press reported. Indiana men are paid around 37 percent more than their female peers. The national median average is around 25 percent, the report states. "In the state of Indiana, women are losing over a half-million dollars over the course of their lifetime based on wage disparities," said Erika Taylor, the CEO of YWCA Evansville, which hosted an Equal Pay Day event Tuesday. "I think people are shocked when they realize how prevalent it is and how shocking that statistic is." The pay gap is more pronounced for Latina and black women than it is for white women. Latina women are usually paid roughly 53 percent of what their white male peers are paid. Black women's salaries are normally around 61 percent of their white male peers' income, according to the AAUW.

INDIANA EVANGELICALS CALL FOR CLEAR ENERGY POLICY: Evangelical pastors and leaders from across the state are calling for Gov. Eric Holcomb and the General Assembly to "to transition Indiana to 100% clean electricity by 2030" (*Howey Politics Indiana*). Rev. Kyle Meyaard-Schaap, Director of Outreach for the Evangelical Environmental Network said, "It's a bold target, and that's important. It gives state leaders the freedom to pursue solutions at the speed and scale that's required. It also gives them permission to reach for lower hanging fruit as a first step, like establishing a State Energy Plan or strengthening the state's renewable energy portfolio standards." Other speakers included Rev. Dr. Jo Anne Lyon, General Superintendent Emerita for the Wesleyan denomination; Rev. Mike Bowling, Senior Pastor at Englewood Christian Church in Indianapolis; Rev. Matthew Beck, Pastor of Family Life at College Wesleyan Church in Marion; and Claire Rush, a sophomore student at Taylor University in Upland. "I will never forget the words of a young 6th grade boy I once met who many times daily had to use an inhaler to breathe," shared Lyon. "I want to do good for the world," he told me, "if only I could breathe."

LIGHTFOOT TAKES AIM AT INDIANA GUN LAWS: Chicago Mayor-elect Lori Lightfoot says that stemming guns from Indiana flooding into her violent city will be top priority (*Howey Politics Indiana*). "That means we have to have our federal partners step up and work in cooperation with us to focus on gun traffickers, felons in possession," Lightfoot said. "A lot of the violence that we're seeing is really crimes of poverty. But we've also got to make sure we've got a proactive plan to deal with the guns that are coming into our city from Indiana, Michigan, Wisconsin, and -- and some of the southern states. And that means we have to have our federal partners step up and work in cooperation with us to focus on gun traffickers, felons in possession, and straw purchasers."

TRUMP APPEARS TO BE BACKING AWAY FROM BORDER CLOSURE: The cautious view among most Republican lawmakers and White House aides is that President Trump won't follow through with his dramatic threat to close ports of entry at the border (*Axios*). A source who has been talking to Trump about the border situation throughout the past week said that the president remains skittish about doing anything to disrupt the markets. Trump is encouraged by what Mexico is doing to apprehend migrants on their journey to the U.S. "It's the markets," the source said. "Closing the border, the markets would plummet." "He's very well aware that there's a commercial trucking component that would be devastating on Mexico and would be hurtful to the United States." As with everything Trump ... What is true at 10 p.m. on Wednesday could be false by 7 a.m. on Thursday, depending on who Trump talks to, what he watches, and what kind of mood he's in.

HPI DAILY ANALYSIS: Justice Sullivan's observations on the hate crime bill Gov. Holcomb signed Wednesday lend credence to the latter's claims that the new law will protect all Hoosiers. It came after several weeks of muddled messaging, as well as comments on the Senate floor by Sen. Ron Alting, who authored SB12, that called such claims into question. But as the zen master says, "We shall see." - *Brian A. Howey*

Campaigns

DEMS EYE HALE FOR CHALLENGE TO BROOKS: We already knew Democrats were targeting Rep. Susan Brooks in the 2020 election (*IndyStar*). A Roll Call article released last week explains why, citing her district as a perfect example of

changing political demographics. Hamilton County is growing more moderate, as seen in the recent Senate elections. Roll Call reported that Democrats are looking toward former state Rep. Christina Hale.

BUTTIGIEG DRAWS 1,000 AT NORTHEASTERN: Mayor Pete Buttigieg capitalized on his spotlight as a rising millennial star in the 2020 presidential race to urge youth to get involved in politics during a visit to Northeastern University on Wednesday ([Boston Herald](#)). "Nobody has more at stake than young people in the decisions being made right now, in everything from college debt and affordability, to whether or not we wind up going to war, to what's going to happen with the economy," said the South Bend, Ind., mayor. "If you care about that, then you have to hold elected officials responsible, otherwise they're going to keep doing what they're doing." At 37, Buttigieg — still in the exploratory committee stage — is the youngest member of a Democratic presidential field in which the oldest candidate is 77. In a race filled with senators, Buttigieg brings military service and two terms as mayor. He's also openly gay and openly Christian. "Mayor Pete" packed a nearly 1,000-seat auditorium while speaking as part of Northeastern's "Millennials in Politics" series, commanding such a crowd the university needed overflow seating. His hourlong talk addressed LGBTQ issues, military service and Generation Y's entrance to the national political stage.

BUTTIGIEG QUESTIONS TRUMP'S BELIEF IN GOD: Presidential candidate and South Bend Mayor Pete Buttigieg said during his interview with USA Today that it is hard to look at the actions of President Donald Trump and think he believes in God ([Mediaite.com](#)). "I'm reluctant to comment on another person's faith, but I would say it is hard to look at this president's actions and believe that they're the actions of somebody who believes in God," Buttigieg said. "I just don't understand how you can be as worshipful of your own self as he is and be prepared to humble yourself before God. I've never seen him humble himself before anyone. And the exaltation of yourself, especially a self that's about wealth and power, could not be more at odds with at least my understanding of the teachings of the Christian faith," he added. He also criticized conservatives "saying so much about what Christ said so little about, and so little about what he said so much about," like how the issue of abortion has become a litmus test.

BUTTIGIEG SURGES TO 2ND IN DAILY KOS STRAW POLL: U.S. Sen. Bernie Sanders led the [Daily Kos](#) Straw Poll with 33%, followed by South Bend Mayor Pete Buttigieg at 18, Sen. Elizabeth Warren at 12%, Sen. Kamala Harris at 11%, Joe Biden at 8% and Beto O'Rourke at 6%.

BETO RAISES \$9.4M: Presidential contender Beto O'Rourke raised \$9.4 million in the 18 days he's been in the running for the Democratic nomination, his campaign announced on Wednesday ([Daily Mail](#)). O'Rourke brought in 218,000 contributions with teachers being the top contributor, at an average of \$520,000 per day. The former congressman brought in an astounding \$6.1 million during his first 24 hours in the race, which means he raised about half his total number in the 17 days following.

BIDEN PROMISES TO 'ADJUST BEHAVIOR': Former vice president Joe Biden promised on Wednesday to adjust his physical behavior toward women, an effort to quell controversy over whether his intimate style is appropriate in the era of the #MeToo movement ([Washington Post](#)). Biden addressed critics in a video posted to Twitter as three additional women told The Washington Post on Wednesday about encounters with him that made them feel uncomfortable. Their stories bring the total number of people who have expressed concerns about alleged interactions with Biden to seven. Other women defended Biden, who has been seen by many women as an advocate for them.

SEN. BENNET HAS CANCER; STILL PONDERES RUN: Sen. Michael Bennet revealed Wednesday evening that he has prostate cancer, but still hopes to run for president ([Politico](#)). In a statement, the Democrat from Colorado said that he was diagnosed last month and will undergo surgery during April recess. "This unanticipated hurdle only reinforces how strongly I feel about contributing to the larger conversation about the future of our country, and I am even more committed to drive that conversation in a positive direction," Bennet said.

General Assembly

BOSMA COMMENDS ON BIAS LAW: House Speaker Brian C. Bosma (R-Indianapolis) said the state has taken a "historic" step in passage and signing of SEA198 (*Howey Politics Indiana*). "Indiana took a historic step forward today as the governor signed the bias crimes bill into law, which strengthens our reputation as a welcoming state for all. Lawmakers worked hard to craft legislation to protect all Hoosiers equally and leave no one out," Bosma said. "For state education policy to be consistent and to have a unified approach, it's important for the governor and the education chief to be in sync — regardless of which party is in office. Accelerating the start date for the appointment of the secretary of education is a commonsense move given

the current superintendent's decision to not pursue another term." Bosma authored House Enrolled Act 1005 and authored the 2017 law, which made the superintendent of public instruction position appointed rather than elected.

SHACKLEFORD CRITICAL OF BIAS LAW: State Rep. Robin Shackleford (D-Indianapolis), chair of the Indiana Black Legislative Caucus (IBLC), issued the following statement after Gov. Eric Holcomb signed a hate crimes bill (Senate Bill 198) into law that does not provide protections for all Hoosiers (*Howey Politics Indiana*): "Today should be a day for celebration, because so many of us have fought for years for a comprehensive hate crimes law, but we are not celebrating today. "This is not a true hate crimes law because it doesn't protect everyone. This law excludes so many people that supporters should be ashamed to call it a comprehensive effort to protect all Hoosiers who are victims of hate crimes. By keeping references to age, ancestry, gender and gender identity out of the law, we are telling more than half the people of this state they do not matter. "The members of the IBLC also are concerned about the process that was used to create this law. It would seem that every effort was made to keep the public from knowing what was going on until it was too late. That is an insult to the multitudes of people and organizations who have fought long and hard to see Indiana pass a comprehensive hate crimes law. "At times like this, I think about people like State Rep. Gregory W. Porter (D-Indianapolis), who has spent the better part of the past 20 years trying to pass a hate crimes law that protects all Hoosiers. We share his disappointment, but we also know that his will power will be a guiding force for us as we keep fighting for a hate crimes law that protects everyone, including women and the transgender community."

INDIANA SEEKS TO CLOSE ONLINE TAX LOOPHOLE: Indiana is one step closer to closing what lawmakers describe as a loophole in online sales and hotel tax collection. Senate Bill 322, authored by Sen. Travis Holdman, R-Markle, would require so-called "marketplace facilitators" that sell goods or services online on behalf of other entities to collect and remit sales tax to the state. The legislation is in response to a June ruling from the U.S. Supreme Court that allowed states to pass laws requiring sellers without a physical presence in the state to collect sales tax from customers (Erdody, [IBJ](#)). Indiana passed a law in 2017 that required online retailers with sales of at least \$100,000 or more than 200 customers in the state to collect and remit the state's 7 percent sales tax. That law didn't take effect until October 2018, though, because of the legal challenge from American Catalog Mailers Association, NetChoice Wayfair Inc. and Overstock.com. Since October, the Indiana Department of Revenue estimates it has collected \$30 million to \$40 million from online merchants through the end of February.

TOURISM REVAMP HEADS TO GOVERNOR: The state's tourism office could soon be turned into a quasi-governmental agency now that legislation authorizing the change has passed both chambers of the Indiana General Assembly (Erdody, [IBJ](#)). The Indiana Senate voted 48-0 on Tuesday to approve House Bill 1115, which would create the Indiana Destination Development Corp., a quasi-governmental corporation that would receive funding from tourism-related organizations, along with appropriations in the state budget. The bill does not increase state appropriations for the tourism agency. The bill, authored by Rep. Mike Karickhoff, R-Kokomo, heads to Gov. Eric Holcomb. Holcomb can sign the bill into law, let it pass into law on its own or veto the legislation. The IDDC would replace the Office of Tourism Development, which is a branch of the lieutenant governor's office. It would be overseen by a seven-member board that would include the lieutenant governor and the heads of several state agencies. The governor or a designee would sit on the board, as well as the executive director of the Indiana Economic Development Corp. or a designee.

ETHICS PANEL HIRES ATTORNEY: A legislative ethics committee has hired an attorney to investigate claims that House Speaker Brian Bosma used campaign money to dig up unflattering information about former intern Kandy Green (*IndyStar*). Green, who claims she had a sexual encounter with Bosma decades ago, and her family members were interviewed in recent weeks. Previously, it was unknown whether the ethics committee would even investigate.

Congress

BANKS PROPOSES TALIBAN ACTIONS: U.S. Rep. Jim Banks introduced legislation Wednesday that would place constraints on the Taliban insurgency before the U.S. would reduce troop levels below 10,000 in Afghanistan (Francisco, [Fort Wayne Journal Gazette](#)). Banks, R-Ind., and Rep. Liz Cheney, R-Wyo., introduced the Ensuring a Secure Afghanistan Act. It would prohibit the Taliban from associating or affiliating with al-Qaida militants and require the Taliban to support Afghanistan's constitution; protect the rights of women and girls; reject funding and military support from non-Afghan governments or organizations; and assist the U.S. and Afghanistan in counterterrorism operations. The U.S. and the Taliban have been engaged in talks to end the 17-year war. About 14,000 American troops are stationed in Afghanistan. Banks said in a statement that the U.S. "cannot afford to be overly eager to strike any deal, especially a bad one, that looks to satisfy short-term political pressures at the risk of long-term national security threats."

REP. PENCE HOSTS GEN. CARR: U.S. Rep. Greg Pence (IN-06) hosted Adjutant General of the Indiana National Guard, Major General Courtney P. Carr, for a Joint Meeting of Congress address by Secretary General of the North Atlantic Treaty Organization (NATO), Jens Stoltenberg (Howey Politics Indiana). "As we celebrate 70 years of NATO with our European and Canadian allies, it was a privilege to hear directly from Secretary General Stoltenberg on the future of the alliance," Pence, a member of the House Foreign Affairs Committee, said. "I was honored to host Major General Carr for Secretary General Stoltenberg's address."

BANKS, BROOKS SEEKS TO WIDEN 5G NETWORK: U.S. Rep. Jim Banks (R-IN) and U.S. Rep. Susan Brooks (R-IN) released the following statements after the introduction of the bipartisan E-FRONTIER Act, of which they are original cosponsors. Rep. Banks is the lead Republican cosponsor of the legislation (*Howey Politics Indiana*). This bill would prevent the U.S. government from managing the construction of a nationwide 5G network and would instead rely on the expertise of the private sector to lead the U.S. mobile broadband expansion. Reps. Tony Cárdenas (D-CA) and Filemon Vela (D-TX) are the Democrat cosponsors. U.S. Senators Ted Cruz (R-TX) and Catherine Cortez Masto (D-NV) introduced the Senate companion bill last week which passed out of the Senate Commerce Committee today. Said Rep. Banks, "Cyber threats are a leading cause for national security concerns. China, Iran, North Korea, and Russia have invested billions of dollars to influence and infiltrate our broadband technology. Each day, U.S. wireless carriers experience billions of cybersecurity incidents and have developed innovative methods to prevent many more. This institutional knowledge can only come from experience and has equipped the American telecommunications industry with the prerequisite expertise to build a robust and secure 5G wireless system."

BROOKS ON 5G NETWORK: U.S. Rep. Susan Brooks, said, "5G will help close the digital divide and it has the potential to make troubles of accessing internet in rural communities an issue of the past. As the co-founder and co-chair of the 5G Caucus, I understand how important it is for our laws to support this kind of innovation, but the federal government should not infringe upon the deployment of 5G communications networks in the process. The United States has continuously led the way in new smart technologies including the invention of the first cell phone, the first deployment of 4G networks in the world that paved the way for the wide-spread use of Smart Phones, and our app industry is the envy of the world. The government has an obligation to ensure new technologies are safe for public use, but we should let the expertise and knowledge of industry leaders take the lead in shaping its capabilities, development, and deployment."

HOUSE TAKES AIM AT TRUMP INAUGURAL COMMITTEE: The House Intelligence Committee is seeking an interview with and documents from a top organizer on President Trump's inaugural committee, according to people familiar with the request, signaling that Congress is expanding its probe of how the fund raised and spent more than \$100 million ([Wall Street Journal](#)). The March 19 request from the House Intelligence Committee was disclosed in a letter sent to a lawyer for the inaugural committee this week by an attorney for Stephanie Winston Wolkoff, a former adviser to first lady Melania Trump who served as a producer and a vendor for the inauguration. The House Intelligence Committee sought from Ms. Wolkoff an array of materials, including matters related to contacts between the inaugural fund and foreign entities, specifically in Russia, Saudi Arabia, Qatar and the United Arab Emirates ... The committee also requested information on efforts by foreign entities to provide gifts or things of value to Mr. Trump, as well as his son-in-law and daughter, Jared Kushner and Ivanka Trump, and their affiliated businesses."

State

GOVERNOR: HOLCOMB RESPONDS TO FLIGHT STORY - Last week, *IndyStar* reported that Rod Ratcliff, the owner of Spectacle Entertainment, had paid the Republican Governor's Association for two flights for Gov. Eric Holcomb as Ratcliff was pulling together a deal to purchase two Gary casinos. At a media availability this week, Holcomb said that on one of the flights, he "overheard some discussions that they were having amongst themselves (regarding casino plans) but it wasn't asking me questions."

GOVERNOR: HOLCOMB SCHEDULE - Gov. Eric J. Holcomb's public schedule for April 4, 2019. Gov. Holcomb, Indiana Commissioner for Higher Education Teresa Lubbers, IEDC President Elaine Bedel, 10 a.m., The Center at The Heritage Group, The Quarry Room, First Floor, 6320 Intech Blvd., Indianapolis, IN 46278.

GOVERNOR: CROUCH COMMENTS ON BIAS BILL - Lt. Gov. Suzanne Crouch said the bias bill passing the General Assembly on Tuesday widens "the umbrella of judicial coverage for more Hoosiers" (*Howey Politics Indiana*). "By signing this enrolled act into law, we are widening the umbrella of judicial coverage for more Hoosiers," Crouch said Wednesday. "I stand with Governor Holcomb in the calling of protecting all individuals regardless of their color, creed, disability, national origin, race, religion or sexual orientation and allowing a judge to consider at sentencing whether a crime was committed with bias"

or because of a victim's real or perceived characteristic, trait, belief, association or other attribute. By adding these descriptions, we are removing Indiana from the list of states that do not have this clarification in statute. I look forward to addressing the needs of our communities so we can continue to take Indiana and the Hoosiers that call it home to the Next Level."

HEALTH: ISDH REACHES AGREEMENT WITH TERRE HAUTE FACILITY - A resolution has been reached between the state of Indiana and the Terre Haute assisted living facility where a memory care resident died of hypothermia in January ([Terre Haute Tribune-Star](#)). A stipulated agreement was filed late Wednesday afternoon asking Judge John Roach in Vigo Superior Court 1 to cancel a status hearing Friday involving Bethesda Gardens and the Indiana State Department of Health. ISDH had requested an injunction to stop Bethesda Gardens from operating an unlicensed health facility and engaging in unauthorized services. The agreement says the state will file a consent decree that resolves the matter and it "does not require further litigation before the court."

DNR: GEIST FISHKILL CALLED NATURAL - The Indiana Department of Natural Resources says the deaths of fish in Geist Reservoir appear to be natural. The agency said in a statement Wednesday the deaths have the "appearances of a small, natural die-off of some sunfish species." [WRTV-TV](#) reports the DNR and the Indiana Department of Environmental Management inspected the northern shoreline of Geist Reservoir on Tuesday and found 10 to 15 dead redear sunfish. The agencies also took live fish that showed signs of infection for testing.

EDUCATION: PERDUE BULLISH ON PURDUE - The U.S. Secretary of Agriculture is touting the work of Purdue University. Sonny Perdue visited the West Lafayette campus Tuesday to meet with President Mitch Daniels, as well as students and faculty. It was one of several stops in Indiana for Perdue, who also visited the National FFA Center and Second Helpings Inc. in Indianapolis. In an interview with [Inside Indiana Business](#) Reporter Mary-Rachel Redman, Perdue called the university an "icon of a land grant university." "It's renowned throughout the world through their nutrition studies and we saw some other types of things with research going on, the cutting edge research there," said Perdue. "What my perception of Purdue University is is they are graduating functional people who can get it done, young people who are skilled in life skills of solving problems and that's what education's really about. Under President Daniels' leadership, the faculty of the schools that I visited with, it's very evident those kids are getting a real education in how to do life."

EDUCATION: PURDUE PARTNERS WITH CAIRO UNIVERSITY - The United States Agency for International Development has launched a five-year, \$30 million cooperative project with Cairo University to create a Center of Excellence for Agriculture in the Faculty of Agriculture. Purdue is one of four universities that will spearhead the project, leading programs in instructional innovation and curriculum development ([Inside Indiana Business](#)). The new center is led by Cornell University and Cairo University with three U.S. land-grant universities each supporting different COEA initiatives. Alongside Purdue, University of California, Davis will lead programs in applied research and Michigan State University will lead efforts in human capital development. Sathguru Management Consultants will work with Egyptian universities to facilitate technology transfer and commercialization of university research products.

EDUCATION: IU'S LILLY LIBRARY TO GET MAKEOVER - Indiana University's renowned Lilly Library is getting a nearly \$11 million boost for its first big renovation since it opened about six decades ago ([AP](#)). IU President Michael A. McRobbie announced Monday that the Lilly Endowment Inc. was providing an "extraordinary" \$10.9 million grant for an interior renovation of the 52,500-square-foot building. That work will include upgrades to its lighting, fire protection and security systems. The limestone-faced library opened in 1960 on the Bloomington campus to house the private library of the late Josiah K. Lilly Jr., one of the Lilly Endowment's founders.

Nation

WHITE HOUSE: KUSHNER WAS DENIED SECURITY CLEARANCE - The senior White House official whose security clearance was denied last year because of concerns about foreign influence, private business interests and personal conduct is presidential son-in-law Jared Kushner, according to people familiar with documents and testimony provided to the House Oversight Committee ([Washington Post](#)). Kushner was identified only as "Senior White House Official 1" in committee documents released this week describing the testimony of Tricia Newbold, a whistleblower in the White House's personnel security office who said she and another career employee determined that Kushner had too many "significant disqualifying factors" to receive a clearance. Their decision was overruled by Carl Kline, the political appointee who then headed the office, according to Newbold's interview with committee staff. The new details about the internal debate over Kushner's clearance revives questions about the severity of the issues flagged in his background investigation and Kushner's access to government secrets. Last year, President Trump directed his then-chief of staff, John F. Kelly, to give Kushner a top-secret security clearance, despite concerns expressed by career intelligence officers.

WHITE HOUSE: DEMS SEEK 6 YEARS OF TRUMP TAX RETURNS - The chairman of the House tax-writing committee formally requested President Trump's tax returns on Wednesday, kicking off what could be a bruising legal fight between Congress and the Trump administration ([Wall Street Journal](#)). In a letter to the Internal Revenue Service, Rep. Richard Neal

(D., Mass.) asked for six years of Mr. Trump's personal returns and some of his business returns, invoking a federal law that allows the chairman of the House Ways and Means Committee to seek any person's tax information. Mr. Trump, breaking with four decades of tradition from presidents and major-party presidential candidates, hasn't released any tax returns voluntarily, despite saying repeatedly during the presidential campaign that he would do so. "We're under audit, despite what people said, and we're working that out," he told reporters Wednesday evening at the White House.

WHITE HOUSE: CHINESE WOMAN BROUGHT MALWARE TO MAR-A-LAGO - A Chinese woman carrying a thumb drive loaded with malware was detained at Mar-a-Lago Saturday after trying to gain access to events advertised on Chinese-language social media by Li "Cindy" Yang, the South Florida massage parlor entrepreneur who also ran a business selling access to President Donald Trump and his family ([Miami Herald](#)). The woman, Yujing Zhang, has been charged with two federal crimes: making false statements to a federal officer and entering restricted property. She was carrying four cellphones, one laptop, one external hard drive and a thumb drive, according to court records. In a charging document, a Secret Service agent said a preliminary forensic examination of the thumb drive showed it contained "malicious malware." The court filing did not provide further details about the nature of the malware. Zhang originally told a U.S. Secret Service agent that she wanted to use Mar-a-Lago's pool, but upon further questioning said she had traveled from Shanghai to attend a "United Nations Friendship Event" between China and the United States.

WHITE HOUSE: TRUMP SAYS MAR-A-LAGO SECURITY GOOD - President Trump, meeting and dining with senior military leaders Wednesday night, said he isn't concerned about security or espionage fears at Mar-a-Lago after a woman was arrested and charged for allegedly trespassing onto the property with a malware-infected device ([CBS News](#)). Yujing Zhang is being held in the Palm Beach County Detention Center in West Palm Beach, according to law enforcement sources, after she was charged with making false statements to a federal officer and entering a restricted facility. "I saw the story. I haven't spoken to anyone," the president said. "We have extremely good control." "The person at the front desk did a very good job, to be honest with you," he added.

WHITE HOUSE: TRADE TALKS WITH CHINA CONTINUE - The Trump administration's demand that punitive tariffs remain to ensure Beijing enacts genuine overhauls has emerged as one of the biggest sticking points, as U.S. and Chinese trade negotiators opened new face-to-face talks aimed at a deal ([Wall Street Journal](#)). Delegations met in Washington Wednesday, seeking to craft an agreement President Trump and President Xi Jinping of China could sign. The stakes are high for both sides, as failure to reach an accord threatens to rattle financial markets and further strain relations between the world's two largest economies. China trade envoy Liu He's priority is to persuade his U.S. counterparts to remove tariffs on \$250 billion of Chinese goods immediately on signing a deal, Chinese officials said. In exchange, Beijing is ready to eliminate retaliatory tariffs on \$110 billion of U.S. goods. In a sign that Mr. Liu may be making progress, Mr. Trump is looking to announce on Thursday the date of a summit with Mr. Xi, said an administration official.

WHITE HOUSE: TRUMP SCHEDULE - President Trump will participate in an "Opportunity and Revitalization Council" meeting at 11:30 a.m. in the Cabinet Room. He will meet with Chinese Vice Premier Liu He in the Oval Office at 4:30 p.m.

NATO: STOLTENBERG ADDRESSES CONGRESS - Jens Stoltenberg, the secretary general of the North Atlantic Treaty Organization addressed a joint session of Congress Wednesday morning, calling the United States "the backbone of our alliance" ([CBS News](#)). Stoltenberg met with President Trump in the Oval Office on Tuesday. In his speech before Congress, Stoltenberg emphasized NATO's importance in preserving peace during the post-World War II era. He noted that NATO was created almost exactly 70 years ago to secure democratic alliances and offer a counterbalance to the Soviet Union. "Ever since the founding of NATO in 1949, every Congress, every American president, your men and women in uniform, and the people of the United States of America, have been staunch supporters of NATO. America has been the backbone of our alliance," Stoltenberg said. "Through NATO, the United States has more friends and allies than any other power."

MUELLER: PROSECUTORS CRITICAL OF BARR REPORT - Some of Robert S. Mueller III's investigators have told associates that Attorney General William P. Barr failed to adequately portray the findings of their inquiry and that they were more troubling for President Trump than Mr. Barr indicated, according to government officials and others familiar with their simmering frustrations ([New York Times](#)). At stake in the dispute — the first evidence of tension between Mr. Barr and the special counsel's office — is who shapes the public's initial understanding of one of the most consequential government investigations in American history. Some members of Mr. Mueller's team are concerned that, because Mr. Barr created the first narrative of the special counsel's findings, Americans' views will have hardened before the investigation's conclusions become public.

Local

CITIES: HOGSETT TO HOST CRIME REPORT - On Monday, April 8, Mayor Joe Hogsett, Indianapolis Metropolitan Police Department (IMPD) Chief Bryan Roach, and law enforcement partners including US Attorney Josh Minkler, Marion County Prosecutor Terry Curry, and the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) will host the community for a Stewardship Report on the newly-launched Crime Gun Intelligence Center (*Howey Politics Indiana*). CGIC is an interagency

collaboration focused on the timely collection, management, and analysis of crime gun evidence in an effort to identify serial shooters, disrupt violent crime, and remove crime guns from the community. With the support of crime analysts, CGIC is helping IMPD and its partners target the most violent offenders and their sources of crime guns in an embrace of the technology-led precision policing model.

CITIES: SOUTH BEND A 'SMART CITY' FINALIST - The International Data Corporation Government Insights has named finalists in its second annual Smart Cities North America Awards. The city of South Bend is recognized in the sustainable infrastructure category ([Inside Indiana Business](#)). The awards aim to honor the progress cities have made in forward-thinking projects, as well as provide a forum for sharing best practices to help accelerate development in the region. Winners will be announced April 9 and the awards will be presented at the Smart Cities New York event on May 14 in New York City.

COUNTIES: BROWN MUSIC VENUE NEARING COMPLETION - The new, 2,000-seat indoor concert venue in Brown County is now set for a late summer opening. The Brown County Convention and Visitors Bureau says the venue has officially been named the Brown County Music Center and details of the first performance at the \$12.5 million facility will be announced later this month ([Inside Indiana Business](#)). The Nashville facility had previously been named the Maple Leaf Performing Arts Center. However, the county says it decided to brand the venue "with Brown County's strong identity as a beloved Indiana destination, as well as clearly denote what guests can expect to experience." The Brown County Music Center will host several national acts, as well as regional and local performances. The opening performance will be unveiled April 15 and tickets will go on sale this month as well.